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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 1987

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

SIDNEY R. YATES, Illinois, *Chairman*

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D. NEAL SIGMON, KATHLEEN R. JOHNSON, JOCELYN HUNN, and ROBERT S. KRIPOWICZ,
Staff Assistants

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Printed for the use of the Committee on Appropriations

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

WEDNESDAY, APRIL 16, 1986.

NATIONAL ENDOWMENT FOR THE HUMANITIES

WITNESSES

JOHN AGRESTO, ACTING CHAIRMAN, NATIONAL ENDOWMENT FOR THE HUMANITIES; AND ACTING CHAIRMAN, NATIONAL COUNCIL ON THE HUMANITIES

THOMAS S. KINGSTON, ASSISTANT CHAIRMAN FOR PROGRAMS

STEPHEN CHERRINGTON, DIRECTOR, OFFICE OF PLANNING AND BUDGET

SUSAN METTS, DIRECTOR OF ADMINISTRATION AND ACTING DIRECTOR, OFFICE OF PUBLIC AFFAIRS

JASON HALL, CONGRESSIONAL LIAISON OFFICER

GUINEVERE GRIEST, ACTING DIRECTOR, DIVISION OF FELLOWSHIPS AND SEMINARS

DONALD GIBSON, DIRECTOR, DIVISION OF GENERAL PROGRAMS

RICHARD EKMAN, DIRECTOR, DIVISION OF RESEARCH PROGRAMS

PAMELA MENKE, DIRECTOR, DIVISION OF EDUCATION PROGRAMS

MARJORIE BERLINCOURT, DIRECTOR, DIVISION OF STATE PROGRAMS

JAMES BLESSING, DIRECTOR, OFFICE OF CHALLENGE GRANTS

JEFFREY THOMAS, PROGRAM ANALYST, OFFICE OF PLANNING AND BUDGET

JEFFREY FIELD, ASSISTANT DIRECTOR, OFFICE OF PRESERVATION

Mr. YATES. This is the hearing on the budget for fiscal year 1987 for the National Endowment for the Humanities. Here in support of the budget is Mr. Agresto, who is Acting Chairman of the National Endowment for the Humanities.

You are Acting Chairman of the National Endowment for the Humanities and Acting Chairman for the National Council on the Humanities. And then we have Mr. Agresto's bodyguard, Mr. Kingston, Assistant Chairman for Programs.

Mr. Cherrington, you are Director of the Office of Planning and Budget. And, Ms. Metts, you are the Director of Administration and the Office of Public Affairs. And, Jason Hall—where are you, Jason—the Congressional Liaison Officer.

Also present are other members of the NEH staff—a throwback to Camelot—Guinevere Griest, Acting Director, Division of Fellowships; Donald Gibson, Director, Divison of General Programs; Richard Ekman, Director, Research Programs; Pamela V. Menke, Director, Division of Education; Majorie Berlincourt, Director, Division of State Programs; Harold Cannon——

Mr. KINGSTON. Mr. Cannon is in England.

Mr. YATES. James Blessing, Director of the Office of Challenge Grants.

Mr. Agresto's statement may be put into the record to be followed by the biographies of Mr. Cherrington, Ms. Metts and Ms. Menke.

[The statement of John Agresto and the biographies follow:]

NATIONAL ENDOWMENT FOR THE HUMANITIES
WASHINGTON, D.C. 20506

STATEMENT
OF
JOHN AGRESTO
ACTING CHAIRMAN, NATIONAL ENDOWMENT FOR THE HUMANITIES
and
ACTING CHAIRMAN, NATIONAL COUNCIL ON THE HUMANITIES
before the
APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES
of the
UNITED STATES HOUSE OF REPRESENTATIVES

April 16, 1986

Mr. Chairman and Members of the Committee:

I am pleased to appear before this subcommittee again on behalf of the National Endowment for the Humanities. I welcome this opportunity to discuss the agency's budget and plans for fiscal year 1987.

The Endowment requests $126.44 million for FY 1987. This includes $83.14 million in definite funds for humanities projects and programs, $12.5 million in treasury funds to match private and other non-federal gifts contributed to individual projects, $16.5 million for Challenge Grants in support of humanities institutions and organizations, and $14.3 million in administrative funds.

The amount of funding being requested is more than sufficient to permit the agency to continue supporting high quality humanities projects and programs. The Endowment takes its stewardship of public funds seriously and will never compromise its commitment to excellence. The amount requested is also a responsible figure in view of the need to control the federal deficit; it represents a savings of $6.239 million from the Gramm-Rudman-Hollings adjusted appropriation for FY 1986.

As has been the case in recent years, we are requesting that each of our major program areas receive approximately 18-20 percent of definite program funds. It is our conviction that these areas support humanities activities of equal importance and that such a distribution effectively covers the full spectrum of the humanities. Our programming mix enables us to identify exemplary work in the humanities wherever it is being done: research that is rigorous and significant, teaching that fosters intellectual excitement, curricula that are based soundly on the central disciplines of the humanities, and general audience programs that lead to a deeper understanding of ideas and events embodied by the humanities.

Several features of our budget request for fiscal 1987 warrant special mention.

We are excited about a pair of special initiatives announced last fall with the assistance of Senators Hatch and Simon: "Understanding America" and "Understanding Other Nations." These initiatives respond to the shocking results of a pilot survey of students funded by NEH and other findings recently reported by educators in newspapers and other periodicals. These reports show that a major segment of our high school population is woefully deficient in the most rudimentary knowledge and understanding of the history and culture of both the United States and the world at large. For example: preliminary results of the study funded by NEH indicate that three-fourths of the 17 year old students tested could not identify Walt Whitman, Thoreau, or E.E. Cummings; one-half could not recognize the names of Winston Churchill or Joseph Stalin.

The Endowment is determined to meet the problem head-on by committing our resources and our prestige to assist schools, colleges, and parents in their efforts to increase students' basic knowledge of the humanities. By confronting this problem now, our nation will reap benefits in the decades to come because an informed and thoughtful citizenry is the best defense against the ignorance and irrationality that can weaken the foundation of our democracy.

"Understanding America" is fueled by the notion that our young people need to learn and understand the major events, ideas, and principles that have shaped the United States. In schools, colleges, and universities students need the opportunity to read and contemplate the political principles contained in the Declaration of Independence, the Constitution, the Bill of Rights, and other basic documents central to the existence of our nation. They need the opportunity to reflect upon the cause and meaning of the major events of American history from the voyages of discovery in the 1400's and 1500's through the triumphs and tragedies of our own century. And they need to have the opportunity to engage in serious guided discussion of the thoughts and ideas of our best writers and thinkers. America's heritage is rich and ennobling, and young minds should be offered the excitement of discovering it. "Understanding America" will give schools and colleges grant support to make this discovery possible.

Our other new initiative, "Understanding Other Nations," takes as its broad objective the quest for literacy among our students of the history and culture of other nations of the world. A companion to "Understanding America," this initiative focuses on restoring the study of foreign languages in schools and colleges. The fact that Americans have become increasingly monolingual in recent decades has been chronicled in numerous reports and studies. It is through the study of languages, however, that students can gain the best vantage point of understanding other nations and cultures. The Endowment will be encouraging proposals from precollegiate and higher educational institutions that wish to re-establish language instruction for their students or to revamp and strengthen their present course offerings.

"Understanding America" and "Understanding Other Nations" join the Endowment's other ongoing efforts to improve teaching, learning, scholarship, and public programming in the humanities. Since the agency will be making awards for these initiatives through our regular grant programs, no set asides are needed, and additional grant funds for these initiatives are not being requested from the Congress for fiscal 1987.

Two other recent initiatives will again be highlighted in fiscal year 1987. The Office of Preservation, established in 1985, will enter its second year of coordinating the Endowment's efforts in helping state, local, and regional institutions and organizations save humanities research resources from decay, neglect, and destruction. The Office provides national leadership in this area as well as grant funds to libraries and archives to preserve specific collections of books, newspapers, and other humanities documents. Also to be continued in FY 1987 is the Endowment's Bicentennial of the Constitution initiative. Since 1982 this program has supported scholarly and public audience projects concerning the history and principles of the United States Constitution and has received considerable praise throughout the nation. We are especially proud of the response to a special bicentennial grant competition in the Younger Scholars program. Almost 250 high school students and college undergraduates submitted applications to spend nine weeks of the summer researching and writing short essays on various aspects of the Constitution; 66 awards were made. All of our bicentennial activities will have special significance in 1987, the 200th anniversary of the drafting of this enduring document.

There is one final characteristic of our 1987 budget request that I would like to call to your attention. If approved by Congress, the $12.5 million being requested for treasury funds would be the highest amount appropriated in the Endowment's history. This high sum reflects the agency's extraordinary success in recent years in using matching funds to stimulate third-party support for grantees. In FY 1985, for example, the Endowment provided a record $17.8 million in matching funds in response to private contributions. These funds were distributed through all program divisions of the agency.

I look forward to responding to any questions you may have about the fiscal 1987 request or any activities of the Endowment.

NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D.C. 20506

STEPHEN F. CHERRINGTON

Director, Office of Planning and Budget

Stephen F. Cherrington was appointed to the position of Director of the Office of Planning and Budget of the National Endowment for the Humanities in August 1985. He had served as Acting Director of the office since April 1985.

Mr. Cherrington began working at the Endowment in December 1973 in the agency's Grants Office. In 1980 he joined the Office of Planning and Budget as a Program Analyst.

Mr. Cherrington attended the College of William and Mary and received a B.A. degree in history from The Ohio State University in 1973. He is a member of Phi Beta Kappa.

NATIONAL ENDOWMENT FOR THE HUMANITIES
WASHINGTON, D.C. [illegible]

SUSAN H. METTS

Director of Administration
Acting Director of Public Affairs

Susan H. Metts was appointed to the position of Director of Administration of the National Endowment for the Humanities in March 1986. She had served as Acting Director since April 1985.

Mrs. Metts joined the Endowment in August 1984 as Director of Public Affairs. She is continuing to serve as Acting Director of Public Affairs until the position is filled. Prior to coming to the agency, she served as Assistant Director for Administration at the National Humanities Center.

Mrs. Metts graduated from Meredith College with a B.A. in business and economics.

NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D.C. 20506

PAMELA GLENN MENKE

Director of the Division of Education Programs

Pamela Menke was appointed Director of the Division of Education Programs of the National Endowment for the Humanities in January 1986. Prior to this appointment she served for five years as Provost and Dean of Faculty and as Professor of Humanities at Colby-Sawyer College in New London, New Hampshire.

Ms. Menke has held a series of academic administrative positions: Academic Dean and Professor of English, St. Mary's Dominican College, New Orleans, Louisiana (1976-1981); Vice President for Educational Development and Chief Executive Officer, Palmer Campus, Trident Technical College, Charleston, South Carolina (1973-1976); Division Chair of Fine Arts and Humanities and Associate Professor of English, Brenau College, Gainesville, Georgia (1969-1973); and Chair, English and Social Sciences, Guilford Technical and Community College, Jamestown, North Carolina (1965-1969).

Ms. Menke was born in Torrance, California in 1940. Awarded a bachelor's degree cum laude from Indiana University in 1962, she received a master of arts in English (1965) and a Ph.D. in nineteenth century American and twentieth century British and American literature from the University of North Carolina at Chapel Hill (1971).

Ms. Menke has worked actively with the Southern Association of Colleges and Schools, with the Southern Regional Education Board, and with the American Council of Education's program for advancing women in higher education administration.

She has written and directed plays for children and has served as a member of two boards of directors for community theatre and performing arts series. Her field of scholarly interest is post-Civil War Southern fiction.

SURVEY OF STUDENTS' KNOWLEDGE OF THE HUMANITIES

Mr. **Yates**. Mr. Agresto, you have the floor. What are you about to say about the state of the humanities?

Mr. **Agresto**. I would like, if I could, to take a few minutes to expand on the statement that you just entered into the record. I think there were two events this past year that more than anything else helped to define the direction and mission of the Endowment.

Back in September, I received a letter from a person who has been working with the Educational Testing Service, and others, under contract from us. The question that we wanted investigated was: What is it exactly that high school students know? This is the letter I received, sir.

> In American History, which most 17-year-old students are now taking, about two-thirds could not place the Civil War in the correct half century, a third did not know the Declaration of Independence was signed between 1750 and 1800, half could not locate the half century in which the First World War occurred, a third did not know Columbus sailed for the New World before 1750, a little more than a third could not locate Great Britain, West Germany, or France on a map of Europe. Half did not know what the Brown Decision was about, only a handful knew what the Magna Carta was, and half did not know who Winston Churchill and Stalin were.
>
> In literature, two-thirds never heard of Don Quixote. All knew about Adam and Eve, but half were unfamiliar with the reference to Sodom and Gomorrah.

Needless to say, that letter——

Mr. **Yates**. Wait a minute, John. That letter is from whom?

Mr. **Agresto**. From Diane Ravitch, who is Professor at Teachers College, Columbia University.

Mr. **Yates**. She is citing a poll or examination?

Mr. **Agresto**. We gave a contract to the National Assessment for Educational Progress to find out for us what it is that high school kids know. These are preliminary reports. This is not the final report. The final report is coming out soon.

Mr. **Yates**. Where was this taken, in New York City?

Mr. **Agresto**. No, this was a sample scientifically done across the country in all different socioeconomic groups. This is a composite result.

Mr. **Yates**. How many children were surveyed?

Mr. **Agresto**. Only about 200 or 300, but they are going to question thousands in the final survey.

Mr. **Yates**. How authoritative is this?

Mr. **Agresto**. She writes here, "The test questions were given to a small national sample, and these are the preliminary results. It is not likely the results of the full national sample will be dramatically different from these, although possible."

Mr. **Yates**. What is her background?

Mr. **Agresto**. Professor at Teachers College at Columbia. She has written books on the history of American education.

Mr. **Yates**. The committee would be interested in seeing a copy of that survey when you get it.

Mr. **Agresto**. Absolutely.

Mr. **Yates**. So the point you are making is the National Endowment for the Humanities and other organizations that are teaching the humanities should be supported.

Mr. **Agresto**. The point I am making—that is number one.

Mr. YATES. That is number one, okay. In order to overcome this kind of deficiency?

Mr. AGRESTO. Absolutely.

NEH RESPONSE TO PRELIMINARY SURVEY

Mr. YATES. What are you doing to overcome it?

Mr. AGRESTO. Right after I received this letter—needless to say, this kind of a letter is an absolute eye opener. We have all taught and all seen students unprepared at the collegiate level, but we never have had quite those kinds of hard and fast statistics. More than anything else, what this——

Mr. YATES. Is what you are saying, it is a reflection on education, both public and private? Were those public and private school children?

Mr. AGRESTO. Yes, both public and private.

Mr. YATES. Does Ms. Ravitch break it down by public and private?

Mr. AGRESTO. Not in the letter. I imagine the final survey will. Needless to say, more than anything else, this letter and these kinds of statistics reinforce the sense we at the Endowment, had. We have talked about basics to high schools and to teachers and to undergraduate institutions. The words we have been using lately about the restoration of the humanities are absolutely necessary. That, if anything, becomes a matter of top priority. It is restoring the basic disciplines of the humanities in a way that is agreeable and available to people in high schools and in colleges.

It led, in fact, to two programs we announced soon after this. I announced the programs with Senator Hatch and Senator Simon. These figures pointed out we had to do something focused, so I announced two new initiatives, one called "Understanding America," where I really wanted to stimulate interest in learning more and teaching more American History, American Literature; and another initiative called "Understanding Other Nations," which is primarily concerned with getting American schools again interested in teaching foreign languages.

Mr. YATES. You raise an interesting point. I wonder whether the National Science Foundation makes a comparable study of students and their knowledge of sciences and math. Does anybody know whether they have done this?

Mr. AGRESTO. I imagine they have.

Mr. YATES. And I wonder whether or not the same conclusion is drawn, that the kids don't know fundamental principles of science and math by the time they are 17.

Mr. THOMAS. The survey done by Diane Ravitch under contract to us was conducted by the National Assessment of Educational Progress, which tests a national sample of 17-year-olds, 13-year-olds, and nine-year-olds about a variety of topics. I would imagine in the last ten or 15 years science and math have been included among them.

Mr. YATES. I would be interested. Will you communicate with Ms. Ravitch and find out what progress has been made in the sciences? One of the questions that comes to mind as a result of that survey is, well, are the kids more interested in science or math to the detriment of the humanities, and language? By language, I mean English. I wonder whether it is an indictment of all education rather than just the humanities.

What you have done is tell us there is a deficiency in learning in the humanities. It seems to be present in all subjects.

Mr. AGRESTO. I wouldn't know about the sciences. I have been to high schools and grade schools where students and undergraduate students are extremely excited about the humanities.

I just got back from visiting a grade school in New York. The principal has a coherent school. The teachers are absolutely spectacular. I was at one fourth-grade class where they said "quiz us". I said, "Okay. What are you studying?" "Greece". "Who is Aristotle?" They knew. "Who was Aristotle's teacher?" "Plato". "Who was Plato's teacher?" "Socrates." "Who was Socrates' wife?" "Xanthippe."

Mr. YATES. Xanthippe.

Mr. AGRESTO. They said Xanthippe. I didn't know that until I was in graduate school. When they are properly taught in the right atmosphere with a principal who puts together a coherent program, the humanities are intrinsically lovable.

Mr. YATES. Are we talking about your job or Mr. Bennett's job?

Mr. AGRESTO. When Mr. Bennett was here, he was talking about this, too.

Mr. YATES. Mr. Bennett is Secretary of Education, before him there was Mr. Bell and before him, there was somebody else.

THE HUMANITIES IN ELEMENTARY AND SECONDARY SCHOOLS

Mr. AGRESTO. I think for the humanities to prosper, we have to turn our attention to the schools. We have to have a hand in that, too.

Mr. YATES. At what point are you going to address the humanities? You are going from the cradle to the grave then.

Mr. AGRESTO. I don't know about the grave, but I wouldn't mind starting closer to the cradle.

Mr. YATES. For teaching the humanities.

Mr. AGRESTO. Yes.

Mr. YATES. What do you propose to do about it?

Mr. AGRESTO. Okay, that is number one.

Mr. YATES. This sounds like you are going to be an adjunct of the Department of Education.

Mr. AGRESTO. No. Notice the things we have done in the last few years—extremely successful things such as Summer Seminars. The summer seminars for high school teachers program is one of the best ways of getting teachers excited about the humanities, and therefore, getting students excited about the humanities and learning more things. These kinds of programs plus programs we have funded through the Education Division, through Teachers Institutes.

Mr. YATES. You want to allocate funds for that purpose, to start out with the young. Where does that leave an organization like the Council of Learned Societies? Where does that leave the great libraries like the New York Public Library and other libraries? Where does it leave the scholars in the humanities?

If I understand the thrust of your testimony correctly, you are going to shift away from those in the advanced forms of humanities studies and start in the elementary class?

Mr. AGRESTO. No, it is a mistake to put it that way.

Mr. YATES. How much money do you want to devote to each purpose, and do you have enough money for all that, and why aren't you asking for more?

Mr. AGRESTO. We have enough money for all of it.

Mr. YATES. I see. I sense the presence of OMB in this room.

Mr. AGRESTO. No, the amazing thing is, for example, the summer seminars for high school teachers——

Mr. YATES. Don't talk so fast. I am sure the reporter is having trouble keeping up with you. Restrain yourself.

Mr. AGRESTO. For example, the summer seminars for high school teachers——

Mr. YATES. You only slowed down to 90 miles an hour. Slow down to 50 miles per hour.

Mr. AGRESTO. The summer seminars for high school teachers is one of the least expensive things we run.

Mr. YATES. So does the National Science Foundation. They have teachers institutes, they have course material.

Mr. AGRESTO. That is fine. That is good.

FUNDING FOR NEH INITIATIVES

Mr. YATES. All right. So you are going to join with them. How much of your budget are you going to put there? Tell us. We have your budget, that is in the record. Does your budget reflect this new discovery of yours, of Diane Ravitch's? Was your budget made up before you got the letter?

Mr. AGRESTO. The new initiatives we have started are part and parcel of all the work we do in the various divisions, so I haven't put out a line that says we are going to spend "x" amount of money on foreign languages or "x" amount of money in American history or "x" amount of money in American literature.

What we have done is try and get enough interest up in the field so we can see collaborative projects between colleges and schools, so we can see some ideas for workshops, so we can see some ideas for institutes. What we want to do is talk to that issue. The nice thing that has happened is we can raise these issues and talk about the importance of these issues and not talk about how much they cost. Sometimes the most important thing to do is to say "This is where the problem is", and we can help with imaginative solutions.

Mr. YATES. Does money help in this respect?

Mr. AGRESTO. Money isn't always the most important thing.

Mr. YATES. Tell us why.

Mr. AGRESTO. I have been at the Endowment——

Mr. YATES. How are you going to have workshops and institutes without money?

Mr. AGRESTO. We have found that those are some of the most cost effective and least costly ways of doing very important work.

Mr. YATES. You need money in the first instance.

Mr. AGRESTO. And we are asking for $126.4 million. That is not peanuts.

Mr. YATES. You are just talking about workshops for kids now and $126.4 million for the whole field of the humanities. You are not getting $126.4 million for the kids alone for your new teaching method.

Mr. AGRESTO. No. And we wouldn't need $126.4 million for that.

Mr. YATES. It would help, though, wouldn't it, in the whole field of education?

How do you transmit education, and how do you carry out your desire to have a more informed, perhaps even a learned society, the good society, without having people to convey this kind of thing to the new kids coming along?

Mr. AGRESTO. We are not paying their salaries, we are not building their buildings.

Mr. YATES. But somebody has to, don't they?

Mr. AGRESTO. Not this Endowment.

Mr. YATES. What does this Endowment propose to do?

Mr. AGRESTO. This Endowment works with teachers, works with learned societies, works with professors, libraries and museums, helps put on projects, programs, exhibitions, films.

Mr. YATES. You are on the periphery, then, aren't you, for this purpose?

Mr. AGRESTO. I don't think so. Take one example, an example I used last year. I think one of the most important things that has happened in American higher education was the issuing of "To Reclaim a Legacy"—a 30-some-page booklet—and on the basis of this booklet and also Terrel Bell's work on higher education, "A Nation At Risk," the latest figures we have indicate that easily half of American colleges are starting to re-think their offerings. Our booklet cost this agency a grand total of about $60,000, and I think that it is helping to reclaim a legacy.

Mr. YATES. Do we have that.

Mr. AGRESTO. We talked about that last year. That little booklet alone has done more to change American education than, I think, almost anything else this agency ever did. When we talked about this same time last year, we had surveyed—this was in the newspapers—we surveyed American teachers and the public on "What kind of books do you think kids should read," the top 10 books, top 20 books——

Mr. YATES. Who was this addressed to?

Mr. AGRESTO. To the Nation at large, although we surveyed teachers who had been at our seminars, professors who had taught those seminars. That was free. And yet we got such national coverage and national discussion about the question: What should our kids be learning in school, what should every educated American know?

Mr. YATES. What resulted from that?

Mr. AGRESTO. I think great results, as a matter of fact.

IMPACT OF NEH IN THE NATION

Mr. YATES. Tell us. I want to know what great results flow from the National Endowment for the Humanities. You say "great results". Tell us so that when the bill comes to the floor and somebody says "We are spending too much money for the humanities," I will say, "John Agresto agrees with you, but at least he is doing something well."

Mr. Agresto. One figure I saw last year was that—let's pick a state, let's pick Illinois.

Mr. Yates. Let's pick Illinois.

Mr. Agresto. The State of Illinois two years ago, from what I gathered, the State of Illinois had two requirements for graduation from high school: four years of Physical Education and a half-year of driver training. This past year, the State of Illinois required four years of English, three years of Social Studies or History, three years of Science and Math, and a half-year of Computer Sciences—plus Physical Education.

Mr. Yates. That is wonderful. That is an impressive move. That is very impressive. How does that relate to the National Endowment for the Humanities?

Mr. Agresto. At all times, we are at best a catalyst for these things, a small part of what is being done, but we are willing to talk about it. What should every kid know, what kinds of books should they read——

Mr. Yates. How do you relate yourselves to the State of Illinois? What did you do to provide the incentive for the State of Illinois to come up with higher graduation requirements?

Mr. Agresto. A couple of things. We were at least part of a change in the climate of opinion that said these are the kinds of things that matter in education. We did that through booklets like "To Reclaim a Legacy", we did that by making well known a list of the top 10 books, we did it through some seminars we had in the State of Illinois and institutes elsewhere.

Mr. Yates. Illinois is a class A state now, right?

Mr. Agresto. It is getting better.

Mr. Yates. All right. You have told us about your rating of applications: excellent, near excellent, good——

Mr. Agresto. Yes.

Mr. Yates. Where do you place Illinois on the list of states? I don't know whether there is any connection between your citing Illinois and the fact I happen to be here.

Mr. Agresto. You just reminded me of it.

Mr. Yates. If this had been Mr. AuCoin, you still would have cited Illinois?

Mr. Agresto. For the record, yes.

Mr. Yates. Where is Illinois on the list—do you make the same kind of survey with respect to all 50 states?

Mr. Agresto. This is something I found out by reading the paper. This was not a survey I made in Illinois, I just found this out.

Mr. Yates. If this is one of the beneficences of the work for the National Endowment for the Humanities, how come you just read it in the paper? Why don't you have somebody on your very able staff pointing out to you, "My goodness, look what we did in Illinois"?

Mr. Agresto. I don't want to say we did it, that is number one.

Mr. Yates. You just did.

Mr. Agresto. We contributed to it.

Mr. Yates. By the ambience——

Mr. Agresto. No more than that.

Mr. YATES. More than the ambience. Okay, more than what? I mean more than the ambience, what did you do?

Mr. AGRESTO. I hate to repeat myself.

Mr. YATES. Okay, I am trying to bring out this tidal wave that you launched.

Mr. AGRESTO. That is putting it too strongly.

Mr. YATES. Okay. All right, a mild tidal wave.

Mr. AGRESTO. The alternative is for me to say we didn't do anything. I am not about to do that.

Mr. YATES. Grade yourselves.

Mr. AGRESTO. I think the work we did in humanities education is A, grade A.

LEVEL OF FUNDING FOR NEH

Mr. YATES. All right. You are entitled to more money, aren't you?

Mr. AGRESTO. No. In fact, I really want to say——

Mr. YATES. You want less money?

Mr. AGRESTO. I think it is an interesting fact that with a lower budget, we have done work that I think is just top flight. In fact, I think one thing this agency has managed to do——

Mr. YATES. That is fine, John. The question is whether or not, with more money, you would have done more good work.

Mr. AGRESTO. No, I honestly don't think so.

Mr. YATES. All right. It is wonderful you happened to hit it right on the nose. With more money, it would have been counterproductive; with less money, you couldn't have accomplished it as well. You came out with a level that is perfect?

Mr. AGRESTO. We could have done it just as well.

Mr. YATES. You want us to cut your budget?

Mr. AGRESTO. No, I am not asking for that.

Mr. YATES. You said with a little less you could have done just as well.

Mr. AGRESTO. We would. Maybe here and there.

Mr. YATES. But you said that, John. You know, the people behind you are just shriveling up.

Mr. AGRESTO. We are asking for less this year than we received last year.

Mr. YATES. I know that. I assume you are addressing this present budget, you want less money for this budget.

Mr. AGRESTO. No, I think this budget, $126.4 million, is just fine.

Mr. YATES. All right, John.

Mr. AGRESTO. Let me go to the second point. I do think what we have done in restoring a sense of seriousness to the humanities in the schools and undergraduate schools is good—more than good, it is excellent. I would like to see figures like this done, surveys like this done every five years. Not that we will be the only cause of its improvement. I hope they will go up. I imagine they will go up.

Mr. YATES. What?

Mr. AGRESTO. Knowledge American kids have of their heritage, their history.

Mr. YATES. I think it is wonderful. You are going to have to break through a wall of TV and rock-and-roll, aren't you?

Mr. AGRESTO. If we can get kids to read more——

Mr. YATES. That is one of the reasons we put the money into the budget for the arts and humanities for the special programs on television and radio.

Mr. AGRESTO. All I want to say is even more than money, it is imaginative projects, finding out what the problems are, targeting the right kind of people.

Mr. YATES. I would agree with that, John. If you do it without money, more power to you.

Mr. AGRESTO. You can't do it without money.

Mr. YATES. That is the first time you have said that. Do you know you said that?

Mr. AGRESTO. There are some things we can do without money. For example, that booklet cost $60,000.

Mr. YATES. You want a budget of $60,000?

Mr. AGRESTO. No. We already did that project.

The second thing I would like to talk about——

DIFFERENCES BETWEEN HUMANITIES AND ARTS

Mr. YATES. Let me point out to you, here I was at the same table as your predecessor the other night, and he was expostulating, why don't the humanities get as much money as the arts? Why do the arts get more money than the humanities?

Mr. AGRESTO. He was talking about that? What did he say?

Mr. YATES. I am telling you what he said. He said the arts are in everybody's eyes and minds. They are the star performer. Why can't the humanities occupy that role? Which is essentially what you are saying. I suppose I should have challenged him by saying the arts are part of the humanities. Is there a difference between the arts and humanities?

Mr. AGRESTO. I think it is healthy to keep them separate.

Mr. YATES. Tell me why. I thought from time to time the two agencies should be combined and should be the National Endowments for the Arts and Humanities.

Mr. AGRESTO. The humanities really do talk about the study of civilization.

Mr. YATES. So do the arts.

Mr. AGRESTO. The arts—at least the way the arts endowment is laid out—is for the creation of new works of literature. If a person comes to us and says "I want to write a novel," we would say, "No, no. If you want to write a book about novelists, that is fine. It is not our job to do the creative act of writing." Are we intermeshed? Absolutely. Yet it is not unhealthy to say there is one agency devoted to dancing and literature and writing of fiction and writing of poetry and another agency given to the study of the heritage of civilization.

Mr. YATES. The arts are making history and you are studying that.

Mr. AGRESTO. Yes.

Mr. YATES. So there is an intermesh.

Mr. AGRESTO. We touch.

Mr. YATES. No intermesh, just a touch?

Mr. AGRESTO. You can say mesh, if you want to.

Mr. **Yates**. All right. Where was I? Go ahead, John.

Mr. **Kingston**. The arts, of course, is performance-centered, while we think of ourselves as the thinkers. And, frankly, in terms——

Mr. **Yates**. Arts are emotionally directed and no thought goes into it?

Mr. **Kingston**. No, I wouldn't want to say that at all.

Mr. **Yates**. What would you want to say?

Mr. **Kingston**. The Arts Endowment projects are essentially towards performance, acting, creation, whereas the work we do tends to be reflective.

Mr. **Yates**. I have seen pictures of Puccini looking at his picture. I am sure he is reflecting on what he is doing.

Mr. **Kingston**. If you think about it, it is the humanities; if you do it, it is the arts. In terms of the two agencies, a little bit of competition doesn't hurt at all.

Mr. **Yates**. You have been losing up until now, according to Mr. Bennett.

Mr. **Kingston**. I don't think you equate success in raw dollar terms.

Mr. **Yates**. Isn't that the measure of this administration, success in the marketplace?

Mr. **Kingston**. No, I don't think it is the measure of success.

Mr. **Yates**. Go to the congressional marketplace?

Mr. **Kingston**. The congressional marketplace is also a forum for ideas. We sell well there.

Mr. **Yates**. John, what were you saying?

Mr. **Agresto**. That was by way of background.

Mr. **Yates**. Should you get as much money as the arts get, or should they get as little as you do?

Mr. **Agresto**. I don't know what their needs are.

Mr. **Yates**. You never studied the arts' budget?

Mr. **Agresto**. No, I really haven't. I have too many other things to do.

Mr. **Yates**. All right. I will let you stay in your bomb shelter.

Mr. **Agresto**. The second event this past year, I think, is going to, in coming years, help define the direction of the Endowment was our reauthorization——

EXAMPLES OF PROJECTS MENTIONED IN GUIDELINES

Mr. **Yates**. Are you in your guidelines doing what you did several years ago, making recommendations to applicants as to what their perspective applications should cover, such as The Glorious Revolution?

Mr. **Agresto**. There are in almost all application guidelines examples of successful projects.

Mr. **Yates**. Can you give us examples? What do your applications say about that? I remember when Mr. Bennett was the Director, The Glorious Revolution was the example that was cited. What do your applications say is now worthy of an applicant's attention? Does anybody know that?

Mr. **Agresto**. In fact, when the Division Directors get up to testify later, they are all going to give examples of successful projects.

Mr. Yates. I am not talking about successful projects, I am talking about your suggestions in your applications as to what you would like to see covered. You did that in Mr. Bennett's time with the suggestion that they investigate The Glorious Revolution.

Mr. Agresto. I think that was something he mentioned here. I don't think it was written down in the application guidelines.

Mr. Yates. The impression I got, and perhaps the record will determine it, is he had determined The Glorious Revolution as a subject for testimony.

Mr. Kingston. As I recall the subject, it was one of our summer seminars devoted to the topic. But that was one of but 60 topics under discussion. In our guidelines, generally, we don't point to a specific topic. We try to give examples and then indicate a broad range that is suitable for the humanities.

Mr. Yates. "The National Endowment for the Humanities Initiative for the Bicentennial", and you have on page two of that document, topics of special interest. These are initiatives for the bicentennial. You were putting out an invitation for applications relating to the Constitution. You say:

> The following is not meant to restrict the areas in which applications will be accepted, but is intended to indicate possible approaches to the study of the Constitution, proposals are welcome from all fields of the humanities. One, history of the periods; two, Constitutional principles; three, the U.S. Constitution and the world; four, individual rights—that is The Glorious Revolution—five, character of democracy; six, political institutions; seven, Constitutional interpretation—and, of course, this is not to the exclusion of other subjects that may come up.

I don't question this, and I wasn't questioning the other. All I was saying was having done that in one instance, what are you doing now? Are you looking for applications on The Glorious Revolution, or are you having other initiatives?

Mr. Agresto. There are very few guidelines specifically saying we want applications on The Glorious Revolution. I don't know of any that specific.

Mr. Yates. I think what I had in mind was the same kind of procedure for The Glorious Revolution you announced for the American Constitution.

Mr. Agresto. We will announce a topic every now and then—"Understanding Other Nations," the Constitution. We will discuss those topic areas that are timely.

Mr. Yates. How do you arrive at that?

Mr. Agresto. "Understanding America" and "Understanding Other Nations" came primarily out of that letter I got. We have to do something. Somebody focused our attention on the fact Americans don't know very much about their own history.

Mr. Yates. Do you have staff meetings to turn this around? How do you do it?

Mr. Agresto. Senior staff get together, the senior division staff get together, and then emphases go into the division booklets. I was looking at the Division of Education booklet last night, and it mentions we are especially interested in projects that might help American school kids know about the history of American literature. We are interested in building up languages in the colleges. If there is a need somewhere, we will address the fact we would like to see people think and work in those areas and submit applications in those areas. That is the way it works.

STATE OF HUMANITIES EDUCATION

Mr. **Yates.** Do you feel, after reading Diane Ravitch's letter, there is a crisis for American teaching and learning? Is it a reflection on teaching?

Mr. **Agresto.** No, I think two things: first, I think American education, especially in the humanities, has not been faring so well, but I think it is getting much better. I think it is getting much better, partly because it couldn't have gotten much worse in the humanities. If you compare what students had to know—take foreign languages, for example. I could actually get the exact figures. I think only 47 percent of all four-year liberal arts colleges require a person to know any foreign language. It is down incredibly from what it was in the past. The number of high schools that require a foreign language for graduation from high school is way down.

What we are finding out is that it is turning around. It is turning around because——

Mr. **Yates.** How much progress is being made? You say you attribute that in some way to the work of the National Endowment?

Mr. **Agresto.** I don't want to be so brazen.

Mr. **Yates.** Well, some measure.

Mr. **Agresto.** Some measure.

Mr. **Yates.** So there is justification for a National Endowment for the Humanities, isn't there?

Mr. **Agresto.** If there weren't, we wouldn't be here asking for a budget.

Mr. **Yates.** You are speaking very strongly for it.

Mr. **Agresto.** I think what we do is very good.

Mr. **Yates.** The reason I say that is, about four years ago, the budget that was submitted cut the humanities in half and proposed to eliminate it the next year.

Mr. **Agresto.** That we submitted?

Mr. **Yates.** That was submitted by the administration, both for the arts and humanities. There has been a turn-around?

Mr. **Agresto.** We, a few years ago, submitted a budget somewhat less——

Mr. **Yates.** Not you. If you look in David Stockman's black book, "Agencies that should not be the subject of Federal Government"—you don't agree with that? You want to keep the National Endowment for the Humanities alive, you think it does good work.

Mr. **Agresto.** I think we do good work.

Mr. **Yates.** All right. Fine. If you want me to strike that from the record, I will.

Mr. **Agresto.** No, I am here defending the agency and the budget.

Mr. **Yates.** All right. Did I interrupt your statement?

Mr. **Agresto.** You did, but I don't know where I am anymore. We were talking about reauthorization. The other event—and this is prospective—the other event that took place was reauthorization. And there was one part of the reauthorization bill that I think will direct us in a certain way, and I think all for the good.

The reauthorization bill at one point says that we as an agency should pay particular regard to the under-represented groups, rural areas, cities, tribal communities, and so on.

Mr. YATES. Are you doing that?

PROVIDING ACCESS TO EXCELLENCE

Mr. AGRESTO. What I would like to do today is lay out the ground work. I am not going to be very specific, and I will leave that to the next chairman, to work out the specificity of it. What I would like to make public today is not a new initiative or a new program or a new division, but I would like to talk about a general direction I think the agency should take. I want to look at the seeds of the program, if I could, today, and I mean to be general, not specific.

There really was a time in American education when the best things were taught, the best things in this culture were taught, but they were available to the few, and those few who would go to Harvard, Yale, or Chicago would get exposure to the best that had been taught and learned. There was again a time after that in American history when the educational community and others really questioned whether there was such a thing as best, or that anyone should study it. This was a time of reductions in standards, a reduction in even the acceptability of the idea there was a culture to be learned.

I think we are going to start a third phase right now, and that will go like this. I think NEH should be part and parcel of it, and that we should start talking about the best for all. And I would like to talk about not only a restoration of the humanities, as we have been talking about, but a restoration and expansion of it.

I would like to leave my successor with some kind of program, some kind of direction for the agency that will talk about access to excellence. The access to excellence program could be concentrated in the Education Division primarily, and could include such things as teacher institutes aimed at inner city schools, starting gifted and talented programs in places far away from rich communities, starting gifted and talented programs in rural areas.

I think we should have in the future a full-time staff person coordinating all these efforts and sharing what we have discovered with the 50 states and sharing with the state committees. I think we should start working more with local libraries to start reading programs in rural areas or in the inner cities for recent immigrants. I think we should start funding model institutions.

I mentioned before I had been to one in upstate New York, in Mount Vernon. I went to Brooklyn College, which I think of all the colleges I have seen has made the most remarkable turn-around. It is the most impressive college I have been to in years.

BROOKLYN COLLEGE AS MODEL SCHOOL

Mr. YATES. Can you tell us why?

Mr. AGRESTO. Brooklyn College was, in the 1960s and 1970s, probably the last place you would send a son or daughter. It had a chaotic curriculum; it was a school with a low self-esteem; the graduates of that college could not say they had gotten a coherent education in anything. And they hired two new people, a new President and new Provost, and those people did what everybody said was impossible.

The new Provost came in and said:

> I am going to make or break this institution. We are going to have ten courses here, ten core courses, and everybody has to take them, whether they want to be a nursing major, whether they want to go to the engineering or the business school or want to learn the liberal arts. Everyone who comes is going to take Roman and Greek civilization, basic sciences, they are going to take basic mathematics, English and American literature, introduction to social sciences, they are going to take ten of these courses.

And everyone said that will kill the place; kids don't want to come and be told this is what you have to take to be educated, especially a school like Brooklyn with a high concentration of minorities, with Vietnamese and Cambodians; with a high concentration of hispanics; and with a healthy mixture of the traditional Brooklyn constituents, Italians, Jews, and Irish.

Actually, what you see in this sort of thing is a perfect mix of an inner city school. What they have discovered is now they have Cambodians becoming medievalists——

Mr. YATES. I am sure there was a medieval Cambodia, too.

Mr. AGRESTO. There probably was.

Mr. YATES. How many years has it taken for that change?

Mr. AGRESTO. This has been turned around in about three years. I think it is about three or four years.

Mr. YATES. Does it get a large student body?

Mr. AGRESTO. It has an increasing student body every year. Some of their main humanities courses are hiring faculty. I think—I shouldn't place so much emphasis on this on the record, but I think it has become the jewel in the crown of the New York City system.

Mr. YATES. Better than City College?

Mr. AGRESTO. It is part of the City College system. I would like to be able to see Brooklyn College become a model for schools in other cities. I think it can be done. Insofar as the reauthorization legislation directs us to be expansive about the humanities, to serve the population, that is the kind of model I would like to push. So, again, it is not yet a program; it is a few ideas and a basic direction. I wanted to talk about it here. I guess the words would be, the best for all. I think that it is a healthy kind of elitism and healthy kind of Americanism.

There are other things I don't know if the Division Directors will talk about, things we started a few months ago. We have had a Young Scholars program for the past two years. What I wanted to do was have high school and college students talk about the Constitution. I said if they would send their proposals, Younger Scholars Constitutional proposals, we would be receptive. We had about 240 proposals come in, we just made 66 grants. These proposals are absolutely spectacular—high school students proposing to do tough work. The list of proposals and the work they are doing is really very, very good.

We started this past year a series of seminars for law professors in the History of the American Constitution. We have had three of them around the country. I just got word the other day that some, a half-dozen or so, Filipino legislators and judges who had worked on the past Constitution and who will be working on the new Constitution will be attending some of our seminars. I think it is marvelous.

That is basically what I wanted to say. It was a long opening statement.

FUNDING REDUCTIONS

Mr. YATES. OMB approved your request, didn't it?

Mr. AGRESTO. It did.

Mr. YATES. You had asked for what, less money?

Mr. AGRESTO. Yes; $126.44 million and received $126.44 million.

Mr. YATES. Why did you cut it $12 million? Last year you received $138 million. Is this Gramm-Rudman's operation?

Mr. AGRESTO. It was $138.6 million; it was reduced to $132.6 million, and we asked last year for a little bit less.

Mr. YATES. Why did you ask for less? Why did you cut it?

Mr. AGRESTO. We are asking for a little less in education——

Mr. YATES. A little bit less in education after that stirring speech you just made in favor of building up the education of the country?

Mr. AGRESTO. Yes.

Mr. YATES. Okay.

Mr. AGRESTO. At least the Education Division.

Mr. YATES. Did you make this cut before you heard from Diane?

Mr. AGRESTO. No. We made this cut before and will keep this cut even now.

Mr. YATES. You wouldn't like it back?

Mr. AGRESTO. No, no. That is fine.

Mr. YATES. You don't want to cut more?

Mr. AGRESTO. An awful lot of what we are doing with teachers is also being done in the Fellowships Division. There, in fact, we are asking for a little bit more, whereas we are asking for less in General Programs, about the same, a little more, in Research, and less in State, more in Treasury funds, where we can use the money to leverage more money on the outside.

MATCHING GRANTS

Mr. YATES. How does that program work?

Mr. AGRESTO. The matching grant program?

Mr. YATES. Yes.

Mr. AGRESTO. Steve can best answer that.

Mr. CHERRINGTON. We make offers of matching support in an attempt to raise gifts.

Mr. YATES. How successful is it?

Mr. CHERRINGTON. Very successful.

Mr. YATES. Can you give us examples?

Mr. CHERRINGTON. The best example is last year, General Programs' matching was up 300 percent.

Mr. YATES. Where did this take place?

Mr. CHERRINGTON. The programs?

Mr. YATES. Yes. I wanted the record to show, well, the NEH provided a challenge grant in the City of Houston for some institution. I am trying to find out where all this success took place.

Mr. **Cherrington**. We had a lot of success with our Media program and our Museum program in matching funds. Specific grants, on page 77 of our budget submission——

Mr. **Yates**. You don't want to say anything beyond your budget on the successes you have had? We have read your budget.

Mr. **Cherrington**. Okay. I think we have in the budget some good examples where we have success.

Mr. **Yates**. Nothing else?

Mr. **Cherrington**. No, we have many others. I am not really that up on specific projects. Last year, matching for the agency on the whole was the highest in its history, and we are very pleased with that.

Mr. **Agresto**. Generally speaking, about what, 70 to 80 percent successful?

Mr. **Cherrington**. Yes, 75 to 80 percent of our matching.

Mr. **Yates**. You want $12.5 million in Treasury funds?

Mr. **Agresto**. Correct.

Mr. **Yates**. You want $16.5 million in challenge funds.

Mr. **Agresto**. The Treasury funds are monies that go to the various divisions, and the challenge funds are handled through the Challenge Grant program, and those are a three-to-one match.

Mr. **Yates**. Okay. Does it?

Mr. **Agresto**. Yes, it does.

Mr. **Yates**. How quickly do your recipients raise their match?

Mr. **Agresto**. They are given three years to match.

Mr. **Kingston**. Four years by the time the full matching period is concluded.

Mr. **Yates**. Any fall by the wayside on that?

Mr. **Kingston**. Very few. The delinquency rate of the decline of offers because of a default, if I recall, is certainly less than three percent.

Is that right, Jim?

Mr. **Blessing**. Yes.

APPLICATIONS AND AWARDS FOR CHALLENGE GRANTS

Mr. **Yates**. Are you able to fund all your grants applied for?

How many applied for challenge grants last year?

Mr. **Blessing**. Two hundred forty-nine.

Mr. **Yates**. If you had more money, would you have funded more?

Mr. **Blessing**. The rejected applications weren't good ones. They were not funded.

Still, we didn't feel it was an insufficient amount of money.

Mr. **Yates**. You did not feel it was an insufficient amount of money? How do you reconcile that with your previous sentence, "If we had more money——"

Mr. **Blessing**. They were good ones.

Mr. **Yates**. If they are good ones, shouldn't they be funded? I recognize the constraints of your budget; don't misunderstand me. What I am trying to find out is what is the nature of those you couldn't fund? What were the good ones you couldn't fund? Do you remember them, by any chance?

Mr. **Kingston.** If I can say, of all the applications that came out of the process rated excellent in the program, we funded them.
Mr. **Cherrington.** And funded many of the ones rated very good.
Mr. **Yates.** Okay. That took up all your money, didn't it?
If Mr. Blessing had had more money, perhaps some of his grants which were rated good might have been rated very good or excellent.

Mr. **Kingston.** The panels are specifically instructed not to worry about any numbers or quota of numbers for recommendations.

They are to establish a priority in terms of excellent, very good, and good.

When those recommendations come through the whole review process, there is a priority rating, and the challenge program would go down in this case through the very goods to the good point.

EXAMPLE OF A "GOOD" APPLICATION NOT FUNDED

Mr. **Yates.** Mr. Blessing, can you give us examples of good ones that were rejected for lack of funding?
Mr. **Agresto.** We probably shouldn't have them on the record.
Mr. **Yates.** I am just asking what were the subjects. I don't care about the names of the persons.
Mr. **Blessing.** These would be——
Mr. **Yates.** If you don't remember them, I will let you put them in the record if you would rather do that.
I am trying to find out what was rejected. If you had the money you would have approved them, wouldn't you?
Mr. **Agresto.** We weren't talking about kinds——
Mr. **Yates.** He said he had some very good ones.
Mr. **Agresto.** I am sure there were some from colleges, universities, some from—I am sure the kind that were rejected were basically of the same genus as those accepted.
They weren't rated——
Mr. **Yates.** I am trying to find out what they were, John.
Mr. **Agresto.** Okay.
Mr. **Blessing.** We had one, for example, that was proposing to improve the international studies program, on how to develop an advanced one——
Mr. **Yates.** You had better speak up.
Mr. **Blessing.** The problem was that it wasn't—it was across the curriculum. It was directed primarily to people interested in business careers and careers in international affairs.
The humanities were playing a strong part in that. The proposal didn't make clear enough what the relevance of the humanities actually were, what part they were playing.
The panel didn't have the sense from the application to understand precisely what was going on there. It also understood that the question was a general one for the Endowment to help fund the general costs of the program.
It wasn't quite clear how much of that cost was going to be—how much of that money was going to be used to strengthen the humanities' characteristics of that program.

We made that clear to the applicant, and perhaps if it applies again, if it corrects its weaknesses, it will be cleared up.

I must say it was a good application, but had weakness to it.

"UNDERSTANDING AMERICA" AND "UNDERSTANDING OTHER NATIONS"

Mr. YATES. Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman.

Mr. Agresto, I like what you are trying to do in the program of "Understanding America" and "Understanding Other Nations". I think, having been a former public school teacher, I recognize some of the deficiencies you are addressing.

I would hope you will aggressively pursue ways in which you can reach out through the educational system to enhance the appreciation for both our own nation and others.

My question would be, what do you propose would be available to a teacher in a classroom that wants to avail himself or herself of the resources that you have?

Mr. AGRESTO. We are working these through our regular programs. What we are doing is trying to convince colleges and universities that it would be worthwhile to have a project, let's say, in foreign languages for the regional school districts around it.

We have tried——

Mr. REGULA. Excuse me. The college or university would become a center in which high school students——

Mr. AGRESTO. No, teachers.

Mr. REGULA. You are starting out with the teacher programs?

Mr. AGRESTO. Almost all our projects deal with teachers directly. We don't have programs for students except things like the Younger Scholars Project. We talk to teachers, trying to get collaborative projects going on between colleges and the school districts.

We want to get university professors to run seminars for high school teachers where they can read important authors relevant to that class.

They keep teachers intellectually alive and aware. Even when we do meet children through the Younger Scholars program, these students have to have a professor or teacher advising them. Those are the kinds of activities we have going on.

This is a whole brochure on the initiatives you may have.

Mr. REGULA. This is what I am wondering. If I wanted to, for example, alert my school districts to the potential of this program, how would I go about it?

Mr. AGRESTO. Others can speak to this better than I, but we have put announcements about this in all the professional magazines teachers might read, journals. Just recently a copy of the "American Educator" had a spectacular story written by a teacher who had attended one of these seminars, and basically said, "This is the best thing that happened to me. You should apply."

Our address is listed there and so on. We really do try to reach thousands upon thousands of schools. We try to get to superintendents and principals through magazines and professional journals. We also talk at places. We go to places.

Mr. REGULA. Would this be the folder you suggest I might send to the superintendents of the school districts?

Mr. **Agresto.** I am sure they have it already but just let us know.

Mr. **Kingston.** We also have an overview of all the programs of the Endowment, and certainly the Endowment would be delighted to work with your staff.

Mr. **Regula.** I would like to get enough of these to send to the superintendents and also to the State Department of Education, because I suspect they are like our offices where you get such a volume of this type of thing, sometimes they get overlooked, and perhaps if I sent it out with a cover letter they might look at it.

Mr. **Kingston.** We would appreciate that. If you would have your staff tell Mrs. Metts how many you need——

Mr. **Regula.** We will do that.

Thank you, Mr. Chairman.

ALLOCATION FOR TREASURY VS. ALLOCATION FOR CHALLENGE

Mr. **Yates.** Why do you ask for more money for Treasury grants which require a one-to-one match than for challenge grants which require a three-to-one match?

Mr. **Agresto.** The Treasury funds we can use in every division, the Research division, the General Programs division. These are monies available to the regular divisions that we have.

If they see a project that comes in and is asking for $100,000, and we are certain this project can interest outside donors, we say, "How about fifty thousand in matching funds?" That is one way of keeping our budget low.

Mr. **Yates.** Why can't you do that with challenge grants?

Mr. **Agresto.** Challenge grants are a different kind of grant. They go to various institutions for different kinds of purposes.

Tom, do you want to talk about that?

Mr. **Kingston.** Yes.

The major distinction to make is Treasury funds go to specific projects, but the challenge grants are supporting an institution or an organization across the board for whatever it does in the humanities.

In order to—as an example we gave a challenge grant to the History of Science Society several years ago. It is an organization that does provide a good deal of material, information for people working on the history of science.

That organization had not, in the past, done any kind of public fund raising. It had been a subscription organization.

It had to build a fund raising component, put together a development campaign, work together with its board, all to submit the challenge application.

In consequence of that application, the organization, although it had three years to meet the full matching, raised all the money it needed within one year's time, in major part because of the endorsement that our review process gave to that organization and its programs.

Now, in terms of Treasury funds, what happens is that the same kind of endorsement operates, but the fund raising is for a specific project, if you will, a specific finite project.

Mr. Gibson certainly can describe some of the media projects we fund through Treasury funds, but many of those ought to be more well-known. More of them ought to involve other funders in order that more people become aware of what is happening in the humanities and what kind of work is being done.

In many of our research projects, we use matching because we don't think the editions and the texts we are supporting should be of narrow interest to scholars only. They should be more accessible to an informed public.

Part of the way of doing that is to encourage people to make the case of the significance, of the work they are doing to a larger donor, a larger donor public.

DISTRIBUTION OF TREASURY FUNDS

Mr. YATES. The budget for the Arts Endowment indicates that they propose to distribute Treasury funds by program.

How do you propose to distribute the funds?

Mr. CHERRINGTON. The receipt of gifts is a little tough to gauge. We make our matching offers usually over a three-year period.

Some grantees are a little more sophisticated than others in raising these gifts on a timely basis. We generally allocate the Treasury funds by division and allow the divisions flexibility with their programs.

Every now and then we get surprised.

Mr. AGRESTO. We never really thought the General Programs division would be able to use so much Treasury funds.

Mr. YATES. Do you have any priority?

Mr. AGRESTO. Historically, most of the Treasury funds have been used by the Research division and State Programs after that.

Fellowships have not much use for matching monies. It is hard to tell a professor, "Go out and match this as a salary supplemental."

We tend to use them not very much in the Fellowship programs. We use them in Research, and in General programs now. We certainly use them in State programs, and we are doing more and more in education, in the Education division.

FELLOWSHIPS AND SEMINARS DIVISION

Mr. YATES. Let me ask Ms. Griest about the Division of Fellowships. Do you want to come up here?

Do you have enough money to provide opportunities for enough fellows?

Ms. GRIEST. We do if you give us as much as we are requesting. You didn't do that last year, Mr. Yates.

Mr. YATES. I didn't? What did I do last year?

Ms. GRIEST. You cut us back, this division's——

Mr. YATES. Did we cut you back? How much did we cut back?

Ms. GRIEST. We were asking for over $15 million. You cut us back to $14,987,000. We were asking for about $15.5, as I remember.

Is that correct, Steve?

Mr. CHERRINGTON. Fifteen million, fifty thousand dollars.

Ms. GRIEST. You cut us back to $14 million.

Mr. Yates. Why in the world would we do that?

Ms. Griest. I wondered.

Mr. Yates. I will have to check with you first. Hold on a minute. We did a little redistributing.

Ms. Griest. Yes, I think you did.

Mr. Yates. I am sorry about that. I will try to protect you from being a victim again. I will make somebody else the victim.

Ms. Griest. Thank you, Mr. Yates.

Mr. Yates. Tell us about your Fellowship program.

Ms. Griest. It is a very interesting program to be in. In the humanities, these awards to individuals we make, I think, are absolutely basic, so it is kind of an exciting place to work. Our awards go to increase scholarship in the humanities, but they benefit teachers of the humanities, and they reach out and bring the humanities to the general public.

FELLOWSHIPS FOR GRADUATE STUDENTS

Mr. Yates. Do you by any chance grant fellowships to graduate students?

Ms. Griest. No, we don't, except in one special initiative.

Mr. Yates. Why do you not?

Ms. Griest. Because we have—that has traditionally been part of the Education Department.

Mr. Yates. I know, but that has suffered. I am told Senator Weicker was supposed to include that program in his budget for the Department of Education, and it has never been funded. I tried to do it with Mr. Bennett, and Mr. Bennett protested very strongly, and I don't know why he protested. I don't know why, in view of the explanation, the statement given by Mr. Agresto as to the sorry state of education in the country, why a contribution shouldn't be made to graduate students.

Mr. Kingston. Can I intervene a minute?

Mr. Yates. Not yet. Ladies first.

Mr. Kingston. I had some history on the policy.

Mr. Yates. Go ahead.

Ms. Griest. You don't want to hear the history first?

Mr. Yates. I would rather hear from you. He will have to wait his turn.

Ms. Griest. There are problems, I think, with graduate fellowships. One of them is, of course, the great number that we would be administering.

Mr. Yates. A tremendous number. It depends on how much money you get as to whether or not you have a great number.

Ms. Griest. Right. And another problem, of course, is the condition of the field. Right now there is a good supply of humanities teachers, and many, in fact, who are well-qualified to teach are unable to find positions, so that there are a lot of things to be considered when you set up a graduate study program.

We do have one program, though, in which we support one year of work toward a Ph.D. for faculty members at historically black colleges and universities. That is part of the——

Mr. Yates. How does that relate to graduate students?

Ms. **Griest**. But they are also students. I can speak from experience. When you are a graduate student, you may also be a teacher.

Mr. **Kingston**. The National Council on the Humanities has explored that question several times. The most recent time was about a year ago. One of the concerns raised came from a council member who also sits with the Mellon Foundation Graduate Fellowship Program, and over the past year or two, some of those fellowships have gone begging, as have other programs in the humanities.

I think fundamentally, the Council has been concerned that if the Endowment were to get into the business of supporting graduate students, we would indeed, as Ms. Griest implied, falsely prop up the profession.

Mr. **Yates**. What profession?

Mr. **Kingston**. The profession of humanities teachers. After all, the principal reason for going to graduate school to earn a Ph.D. in the humanities is to enter the teaching profession, although not all Ph.D. graduates do. Look at us. It could be a false prop when the market dictates what needs we have for graduate students in the humanities.

Furthermore, there is a firm belief those universities that offer programs should continue to make the commitments they do make to graduate students. And if Federal funding were available through the Endowment, that might erode some of the university commitments for graduate students.

EXAMPLES OF PUBLICATIONS FROM FELLOWSHIPS AWARDS

Mr. **Yates**. Tell us what you are doing without the graduate students.

Ms. **Griest**. We are offering fellowships to university teachers who are doing all the things I told you about. Last year I brought you—what had just been issued—a two-volume history called "The Great Father", by one of our fellows, Father Paul Prucha of Marquette University. That book has been such a success, it is going to come out in an abridged version. I have a copy today to show you. It is not even bound.

Mr. **Yates**. Thank you. The committee always welcomes goodies.

Ms. **Griest**. That really has been an extraordinarily successful——

Mr. **Yates**. Did you give me two books last year? Have you got them?

Ms. **Griest**. Yes, I did.

Mr. **Yates**. This tells about what happened to the Indians? I will read this.

Ms. **Griest**. That is probably even better. It omits some of the footnotes.

Mr. **Yates**. Thank you very much.

Ms. **Griest**. Another one of our fellowships for independent study and research has resulted in a book on the American West transformed, the impact of the Second World War. That is very solid history, I think, and it was the August 1985 selection of the History Book Club. So it is going to reach a wider readership.

Mr. **Yates**. Thank you very much.

Ms. GRIEST. Now, then, we are coming to one more in my own field, and this is going to be, I think, a definitive biography of Alexander Pope that has just come out, and its weight indicates it is really a thorough, comprehensive——

Mr. YATES. Weighty.

Ms. GRIEST. Weighty book, and well written.

Mr. YATES. It looks beautiful. It is beautiful printing, isn't it?

Ms. GRIEST. Yes. It is a fine book.

Mr. YATES. Thank you very much.

Ms. GRIEST. This is an example—by the way, since we are talking about cost sharing with the private sector and it was pointed out in fellowships we don't do so much. Nevertheless very often an individual may receive a fellowship from a private foundation and then receive a fellowship from us. This is what happened with Maynard Mack. He had a fellowship from us and two years later got a Guggenheim, and with the two of them he was able to finish the book. As you can see, that is not something you can do in a couple months.

Mr. YATES. No, you would have to take at least two months.

Thank you very much. This is obviously a volume I will not take on a plane, but I certainly will read it. It looks beautiful, and I thank you very much.

What other studies can you give us?

Ms. GRIEST. As long as you are willing to listen, I am willing to talk. This is rather interesting, because this is one by one of our——

Mr. YATES. I must say I like your presentation.

Ms. GRIEST [continuing]. From a college teacher. Maynard Mack is at Yale, and we have been talking about impressive research universities. Roberta Olson teaches at Wheaton College in Massachusetts. She is an excellent teacher and an excellent art historian. She has written this book on "Fire and Ice," which is a history of comets in art. Not only did she write this book, whose publication is supported partly by the Smithsonian, but she has set up an exhibit at the Air and Space Museum and 60 percent of the exhibit is discussed in her book.

Mr. YATES. I think that is wonderful.

Ms. GRIEST. It reaches the general public. It shows how the work that is scholarly- and research-oriented nevertheless reaches out to the general public.

Mr. YATES. She points out there are comets other than Halley's, right?

Ms. GRIEST. Right. Now then, if you are still interested—I will stop any time you say.

Mr. YATES. No, no.

Ms. GRIEST. You were talking about the arts and the humanities and Mr. Kingston pointed out we study the arts. Here is one on "Opera, the Extravagant Art." This is really a fascinating study of opera, and it is interesting also to note that this summer, we will be offering a summer seminar for college teachers on Verdi and the playwrights.

Mr. YATES. Very good. I will read this with a great deal of interest. It reminds me of my favorite story. Who is the wonderful Wagnerian tenor? Lawrence Melchior? He was supposed to go off stage on a swan, and he finished his aria, but the swan departed before him. He turned around and said, "What time does the next swan leave?"

Mr. **Kingston**. That happened at the Chicago Lyric, I believe.

Mr. **Yates**. Not the Lyric, the old Chicago Opera.

Ms. **Griest**. These are ones I brought to illustrate——

Mr. **Yates**. How many of these do you have?

Ms. **Griest**. I just have a small sample.

Mr. **Yates**. How big a library do you have?

Ms. **Griest**. We have a large library which you are welcome to see, which has been growing over the years and is now quite impressive. This is a book called "Shakespeare and the Hazards of Ambition." It was done by someone who had a summer stipend. These are grants provided during the summer, small grants. We make 230 of them a year. They are distributed across the country to professors at large colleges and small colleges.

This one, "Shakespeare and the Hazards of Ambition", won the Harvard Press and Wilson Award as the best first year book. So we have that. I don't know if you are interested—I brought them to show you.

Mr. **Yates**. I am interested in ambition.

Ms. **Griest**. That is also the hazards, Mr. Yates.

Mr. **Yates**. That is why I am interested.

Ms. **Griest**. You seem to have mounted the hazards.

These are results of independent study. I would like to point out to you that we have seminars for college teachers and high school teachers. They have been talked about earlier today.

REVIEW OF APPLICATIONS IN FELLOWSHIPS AND SEMINARS

Mr. **Yates**. Well, let me ask you the classic question, and if it embarrasses you, I will withdraw it, but you seem to be having some element of success, judging by the gifts you bestowed on the committee of works that were done by your scholars. How many do you turn down?

Ms. **Griest**. Well, we turn down six times as many as we award.

Mr. **Yates**. How many do you hate to turn down?

Ms. **Griest**. I hate to turn anyone down, Mr. Yates.

Mr. **Yates**. I know. I know.

Ms. **Griest**. In our fellowship program, we are making awards to every excellent application we get.

Mr. **Yates**. Do your panels rate these excellent, good and so forth, and very good?

Ms. **Griest**. That is right.

Mr. **Yates**. Did you fund every excellent one you had?

Ms. **Griest**. Yes.

Mr. **Yates**. Did you fund every very good one?

Ms. **Griest**. No; we didn't fund every very good one.

Mr. **Yates**. Why did you not.

Ms. **Griest**. Because when panels give us a range of very good proposals, it is a wide range, and we fund the top of the very good ones.

Mr. **Yates**. You mean the ones the panel has trouble not designating as excellent?

Ms. GRIEST. Well, in a way, yes. We divide our applications by discipline, and we have in our fellowship programs, for example, 26 disciplinary panels meeting and evaluating applications. They cannot compare one with the other, so we take the very good proposals to the staff, and we go over them and see which ones are of top quality, which ones are of lower quality and so forth, but we funded every excellent proposal——

Mr. YATES. When do you do that, before or after the panel——

Ms. GRIEST. After the panel meets. Our basic evaluation is the panel system.

Mr. YATES. The panels are the ones who select. What do you do after the panels are through?

Ms. GRIEST. Let's say that all the panels have met, they have given us—they say this many are exellent, let's say 107 are excellent, and they say they also found 100 very good ones. Now, obviously on the very good, there is a wide range. It runs from almost excellent to almost unsatisfactory. In staff review, we look over all these applications, and we try to see where the level is across the disciplines, because one year we may get more excellent applications in literature and fewer in philosophy, but more in history, or something of that sort. We see where the quality breaks, and that is where it breaks.

Mr. YATES. What do you do with the very goods that aren't funded? Do you look at that, and you sigh and you say "Isn't it too bad we don't have money for these"?

Ms. GRIEST. No; that isn't all we do. We encourage people to ask us what our evaluators said about these applications.

Mr. YATES. Where do your evaluators come in? Is this before they get to the panels?

Ms. GRIEST. Not the panels—I mean the panels.

Mr. YATES. You also use readers, don't you?

Ms. GRIEST. Not in the Fellowships Division very much. What we do is encourage our people, our rejected applicants, to write us and ask us what our evaluators said, and we tell these applicants exactly what these five panelists said, and very often the people then reapply and often get a fellowship.

Mr. YATES. Reapply?

Ms. GRIEST. On the same topic. And they apply without prejudice. There is no place on the application that indicates that they have reapplied, so that it comes——

Mr. YATES. It is to a different panel, isn't it?

Ms. GRIEST. Yes. Our panels change every year.

Mr. YATES. It is the toss of the panel?

Ms. GRIEST. That is right. We try to see our panelists are not reading for any other major fellowship competition, so that they are being read fresh every year.

CONFLICT OF INTEREST PROCEDURES

Mr. YATES. Who picks your panelists?

Ms. GRIEST. Our staff members.

Mr. YATES. Do you pick the panelists?

Ms. GRIEST. I pick for the panels I chair.

Mr. YATES. Fellowship.

Ms. Griest. Yes.

Mr. Yates. Now, here is Mr. Mack, who is on the faculty at Yale?

Ms. Griest. That is correct.

Mr. Yates. Is it possible a panelist would be from there?

Ms. Griest. It is possible. If there is a panelist from Yale when his application is up, that panelist cannot evaluate and must leave the room.

Mr. Yates. I know about this business of leaving the room, but he knows Mack is there, he says, "I am sorry, I have to leave the room because my good friend, Maynard Mack, has his application pending." Is that an adequate description of his duties?

Ms. Griest. It is adequate. Your good friends don't have to be distinguished scholars. He could be your good friend, and you could think it is a terrible project. I don't think the person influences the panel if that is your question.

Mr. Yates. Does the professor from Yale know Maynard Mack is coming up? He has the application ahead of time, doesn't he?

Ms. Griest. Yes, he gets it, but he doesn't know when he accepts. He may not know when he accepts.

Mr. Yates. Why don't you require that person, when he gets notice of the fact that somebody from Yale is coming up, to say "I cannot sit on this panel"?

Ms. Griest. Oh, Mr. Yates, you are—let me tell you that we try very hard to get the best people in the country on the panel.

Mr. Yates. No question about it. But here you were attacked last year, you and the arts were attacked last year on favoritism on the panels, the so-called "buddy-buddy" system, and I am trying to help you avoid the Maynard Macks.

Ms. Griest. The academic world Mr. Mack lives in is relatively small. If we pulled off the Yale member from that panel, there would be a key slot that might be very difficult to fill and might not be filled with as qualified a person. That is our problem basically. We start setting up our panels before we even get our applications.

Mr. Yates. Yes. Suppose he isn't as qualified a person, that is the point. The question then is——

Ms. Griest. That is terrible.

Mr. Yates. Then you have to evaluate not only the hazards of ambition, you have to evaluate the hazards of some Congressman coming along and saying, "My goodness, buddy, buddy, somebody from Yale was on the panel, he left the room, but you know how that is." That is the kind of speeches that were being made. I keep telling them, I ask people who come in before us as to what they do, and they tell us these are people of the highest integrity and wouldn't think of it, but I must tell you, Congressmen are suspicious people and cynical people.

Ms. Griest. Academics are suspicious, too.

Mr. Yates. The question comes up: the panelist, sure, he is outstanding, you can't get anybody as outstanding. But somebody else outstanding would not subject the panel and the humanities to the possibility of being criticized at a later time to the jeopardy of the humanities. I am trying to protect the humanities, I am trying to protect you, I am trying to protect the panelists from charges of that kind; and even if he is not from Yale, say he knows Mr. Mack, or he is a friend of his, or he knows somebody who has told him Mr. Mack is an outstanding person, it is very tough, and I don't know quite what the answer is.

I guess I will accept your word for the fact these are people with integrity.

Ms. GRIEST. They are people of high integrity.

Mr. YATES. I wish you could tell that to some Congressmen.

Mr. KINGSTON. It may help to refer to the GAO report where they came in over a year ago to review our code of ethics procedure.

Mr. YATES. Did they accept leaving the room?

Mr. KINGSTON. Yes.

Mr. YATES. Two rooms away.

Okay, that is fine. Now we are all through with the panel's work, we are through with the staff's work. Do you send them any of your own feelings about their study?

Ms. GRIEST. No.

Mr. YATES. You are trying to be utterly impartial, it is just evaluators?

Ms. GRIEST. Yes. It is the peers of the applicants who are evaluating the applications.

APPEALS PROCESS FOR REJECTED APPLICANTS

Mr. YATES. Is there any appeal from your panel? Suppose one of the people who you have rejected because he didn't have an excellent or wasn't quite as very good as some of the others, do you have a court of appeal?

Ms. GRIEST. The person can write to me.

Mr. YATES. Why don't you have an appeals court? I think Arts has an appeals court.

Ms. GRIEST. One reason is time, because by the time it got through an appeals court, the person might as well apply the following year. And the thing——

Mr. YATES. Let me ask you a question then. Suppose you have an appeal process to the chairman, for example, the evaluators have rated this, it is very close to the level of acceptance, does it make sense to have a funding reserve for one you consider——

Mr. AGRESTO. I don't think so.

Mr. YATES. You don't want to overrule the panel, do you?

Mr. AGRESTO. I don't want to overrule the panel, and it works out in the long run for the best. If the proposal can be resubmitted with all the comments that have been made on it, sent to the applicant and that proposal comes in again——

Mr. KINGSTON. We do not have an inordinate number of complaints, but they do occur.

Mr. YATES. They occur frequently in the Arts I am sure. Your people are more reflective?

Mr. KINGSTON. And people don't complain as often. If we have a letter of complaint that for any number of reasons might cite unfair treatment, or something of that sort, Ms. Griest would send a letter to me, and I treat the case strictly from the ground up. I think in the past year I have reviewed ten such complaints.

If at any point in that review I thought there was cause or reason for injustice, I would have no hesitation in petitioning the chairman for review of the circumstance, but I have not had that occasion.

PANEL SYSTEM

Mr. **Yates**. Do you have a pool of panelists? How do you select your panelists? Do you select the panelists?

Ms. **Griest**. Yes, the fellowships senior staff.

Mr. **Yates**. Do you have a pool?

Ms. **Griest**. Yes.

Mr. **Yates**. How do you decide it, or do you just take notice of the faculties throughout the country?

Ms. **Griest**. We practically have that. We have a computerized roster of possible panelists that contains over 30,000 names.

Mr. **Yates**. Does it?

Ms. **Griest**. Yes. And with academic specialties and records. Staff are also active in attending professional meetings and seeing who is making excellent presentations. We go out and visit various universities and campuses, we meet people there and can judge whether or not they will be good panelists.

Mr. **Yates**. Do your panelists get paid?

Ms. **Griest**. They receive travel expenses and a per diem and honorarium of $200.

Mr. **Yates**. $200 a day a panel?

Ms. **Griest**. A panel.

Mr. **Yates**. That isn't very much, is it?

Ms. **Griest**. No, it isn't, but they do it out of a sense, I think, of duty to the profession and because they respect the work we are doing and the opportunities it affords to so many teachers in the humanities.

Mr. **Yates**. All right. Anything else you want to tell us?

SUMMER SEMINARS

Ms. **Griest**. Just about our seminar programs, because we have talked only about fellowships. And I want to let you know that we are conducting seminars for college teachers this summer, and seminars for secondary school teachers all over the country.

Mr. **Yates**. What kinds of seminars? Give us an example, the title of a seminar.

Ms. **Griest**. "Verdi and the Playwrights" is one for college teachers: "War and Peace as a Universal Novel" for secondary——

Mr. **Yates**. Why "Verdi and the Playwrights"?

Ms. **Griest**. Because Verdi was always working with playwrights to develop his operas.

Mr. **Yates**. He doesn't give them any credit.

Ms. **Griest**. That is why the seminar.

Mr. **Yates**. This is the opera by Verdi. Well, Othello has to give Shakespeare something.

Ms. **Griest**. These teachers tell us they go back and incorporate into their classroom presentations much insight that they have learned from the seminars. So far, for example, a young woman in 1979 went to a seminar at California Berkeley, and she had never published very much before that, but she found that the seminar sharpened her own historical interest. By 1982, she said she had not only brought great insight into her own classroom presentations, she had published an article in a learned journal, she applied for one of our college teacher fellowships, she received the fellowship, spent the next year immersed in research and writing and has produced a book now, "Rural Society in Colonial Morales", which I think is an excellent book. It shows the way in which our programs blend together and encourage——

Mr. YATES. What is the title?

Ms. GRIEST. Rural Society in Colonial Morales".

Mr. YATES. Is this your contribution to Mr. Agresto's emphasis on the Constitution?

Ms. GRIEST. To understanding other nations.

Mr. YATES. Oh, in Colonial—sorry about that. I thought it was colonial in this Nation.

What are you doing for Mr. Agresto insofar as his emphasis on the Constitution is concerned?

Ms. GRIEST. It is our division that works with the younger scholars.

Mr. YATES. Are you suggesting fellowships for scholars interested in the Constitution?

Ms. GRIEST. Absolutely. We put that in our fellowship guidelines and have seminars related to the bicentennial. Paul Sigmund is working on the philosophical and historical background of the American Constitution at Princeton this summer, and Timothy Fuller is giving one on natural law, natural rights, and the American Constitutional order at Colorado College. And Richard Beeman is doing one on the making of the Constitution at the University of Pennsylvania.

Now, these are——

Mr. YATES. Very interesting subjects.

Ms. GRIEST. These teachers will then be able to go back to their classrooms in the year of the bicentennial.

Mr. YATES. That is good.

Ms. GRIEST. One final thing: The high school teachers' seminars focus on close reading of texts, but sometimes they burst into print in spite of themselves, and the one offered at Ohio State—I am sorry Mr. Regula isn't here—by Frank Silbajoris on "War and Peace," the high school teachers were so fired up by this that many of them wrote papers which were published then in the——

Mr. YATES. Would you repeat what you just said?

Ms. GRIEST. At Ohio State University, Frank Silbajoris has presented a seminar for high school teachers on "War and Peace as a Universal Novel." He has been an extraordinarily successful teacher, and the high school teachers have been so enthusiastic about their work that they have presented—

Mr. YATES. High school teachers where? All over the country?

Ms. GRIEST. All over the country come to Columbus.

Mr. YATES. In Ohio?

Ms. GRIEST. In Ohio. So the Ohio State University Slavic Department has published a collection of the essays of the secondary school teachers. For many of these teachers, it is their first publication. It has gone through a reputable press.

Mr. Yates. Can you give Mr. Regula's staff a copy of that?

Ms. Griest. I would be happy to give her this copy.

NUMBER OF STIPENDS AND FELLOWSHIPS

Mr. Yates. You have increased the stipend to $3,500?

Ms. Griest. Yes.

Mr. Yates. Why is that, because hotel rates have gone up?

Ms. Griest. Yes. Everything has gone up, and $3,000 seemed a bit low.

Mr. Yates. How long is a stipend for?

Ms. Griest. Two months.

Mr. Yates. You are going from 233 fellowships to 215 fellowships?

Ms. Griest. Yes.

Mr. Yates. You are losing 18 fellowships.

Ms. Griest. No, wait. Hang on just a second.

Mr. Yates. Yes, I am.

Ms. Griest. We gave 270 in 1986, and in 1987, we expect to give 260.

Mr. Cherrington. Summer stipends.

Ms. Griest. I am sorry. Yes, we will reduce the numbers somewhat, and we talk about that at great length: Is it better to reduce the number, is it better to keep the number——

Mr. Yates. What do you think, should you have a greater number of students attending your seminars?

Ms. Griest. The seminars are fine, this is summer stipends. This is independent study. I think we will do better to increase the stipend and decrease the number slightly.

Mr. Yates. How good are your summer seminars, should you have more students attending?

Ms. Griest. No, in summer seminars, we limit the attendance to 12 in a college teacher seminar and 15 in a seminar for secondary school teachers.

Mr. Cherrington. I think there is a little mixup. It is the number of summer stipends that is going to go down slightly.

Mr. Yates. That straightens it out then. Do you want more fellowships or less?

Ms. Griest. If our applications remain as they have, this will be very good indeed. We are flexible in the number we offer. We put down for budget purposes 130, but the number we give will depend on the excellence of the proposals we receive, and it does vary slightly from year to year.

Mr. Yates. Suppose you get a lot of excellent proposals and don't have money, you tell them to come back next year.

Ms. Griest. I go to Mr. Agresto and say "What are we going to do about this?"

Mr. Yates. Does he have power to give you more power?

Ms. Griest. He has more power than I could.

Mr. Yates. Do you have chairman's grants?

CHAIRMAN'S EMERGENCY GRANTS

Mr. **Agresto**. I have chairman's grants. I seldom make a chairman's grant. Chairman's grants are up to $30,000. I save that for emergency purposes.

Mr. **Yates**. It has to be an awfully excellent project.

Mr. **Agresto**. No, it has to be an emergency.

Mr. **Yates**. What is an emergency?

Mr. **Kingston**. The Huntington Library in California had a terrible fire last fall. We gave them the full $30,000 allowed for an emergency grant to help them recover art work that was lost in the galleries. Hollins College in Virginia, inundated by the floods, lost a vast portion of their library collection. We gave them an emergency grant.

Mr. **Agresto**. I would rather save the money for that.

Mr. **Yates**. Ms. Griest, we have enjoyed our dialogue, at least this committee has enjoyed our dialogue with you. We thank you very much.

Ms. **Griest**. Thank you.

Mr. **Yates**. I think we ought to come back at 1:00 o'clock.

Afternoon Session

GENERAL PROGRAMS DIVISION

Mr. **Yates**. Show the hearing as coming to order, Mr. Reporter. Now we have Mr. Gibson. Do you want to come up? What are you, the utility infielder?

Mr. **Gibson**. We don't see it that way. The division supports those projects designed to increase public understanding and appreciation of the humanities. It is one of the ways in which we attempt to educate the public on all those aspects.

Mr. **Yates**. How do you compete with Star Wars and the others for the media to show things you want?

Mr. **Gibson**. In terms of the number of people which watch the various programs we fund, as opposed to others, certainly if one defines a competition in terms of commercial versus public television, commercial audiences would be vastly larger than ours. But if one looks at the audience figures or statistics for programs we have funded during the past year, generally we will attract an audience of five to six million for programs.

Speaking specifically of children, "Booker" was a short dramatization of the life of Booker T. Washington from the age of nine to 11 and attracted approximately seven million. Another children's program attracted nine million. It is called "Out of Time." Certainly commercial television will attract more. Audiences of five to six million are typical, if the programs are of quality, and we believe they can have a substantial impact.

Mr. **Yates**. How many did you attract for Huck Finn?

Mr. **Gibson**. Five to six million. I can give you specifics.

Mr. **Yates**. Did you have any part in "Anne of Green Gables"?

Mr. **Gibson**. No.

Mr. **Yates**. That is one you should have had.

Mr. **Gibson**. They did not apply.

Mr. **Yates**. A beautiful program.

APPLICATIONS AND FUNDING IN GENERAL PROGRAMS

Tell me, do you have enough money for your program?

Mr. **Gibson**. We certainly have enough money to fund the media projects, and I think we have a significant impact upon the quality and type of public education in museums, libraries, and other programs we support.

Mr. **Yates**. How many applications do you have?

Mr. **Gibson**. The division received, in 1985, approximately 1,000 applications, slightly above 1,000.

Mr. **Yates**. How many do you fund?

Mr. **Gibson**. Approximately 20 percent. That varied somewhat from program to program.

Mr. **Yates**. And how many excellent ones did you not fund?

Mr. **Gibson**. We were able to fund all of them.

Mr. **Yates**. How about the very good?

Mr. **Gibson**. Very goods, approximately 60 percent of the division as a whole. Better than half of the very good applications are across all the programs.

Mr. **Yates**. That is an empty half to a full half. You lost 60 percent?

Mr. **Gibson**. True, but they weren't excellent ratings. They were rated well, but in the judgment of the panel——

Mr. **Yates**. I thought they were rated very good.

Mr. **Gibson**. It is a definition of terms, I guess.

Mr. **Yates**. So is excellent, isn't it?

Mr. **Gibson**. Yes. Well, the term "excellent" is defined basically by the panels. They rate—this is an absolutely excellent application. We accept their judgment.

Mr. **Yates**. The very excellent is another class, isn't it?

Well, you are telling me you don't need more money then. What happens to the very goods? You do what Ms. Griest does, you tell them "Sorry this time, come back next year"?

Mr. **Gibson**. We work extensively with applicants who have submitted applications of quality but do not quite measure up to our expectation of excellence.

RATINGS OF APPLICATIONS

Mr. **Yates**. Can you tell me which of your very good programs didn't get funded? Give me a "for instance".

Mr. **Gibson**. It is difficult without naming a specific institution, which I am not certain that we should for the public record.

Mr. **Yates**. Why not? What difference does that make? Your records are public, aren't they?

Mr. **Kingston**. Not on rejections.

Mr. **Yates**. Why wouldn't they be?

Mr. **Kingston**. That is a matter—the fact of rejection is a matter between the applicant and the Endowment, itself. We will deal specifically with the reasons for rejection. Many applicants don't wish it to be known publicly they have been rejected.

Mr. YATES. Which of your applicants received very good ratings but because of lack of funds were not able to be funded?

Mr. GIBSON. If it is appropriate, I can name some institutions that were rated very good, but did not receive awards during the last year. The New York Public Library, the Metropolitan Museum of Art, or the Art Institute of Chicago.

Mr. YATES. The New York Public Library was rejected?

Mr. GIBSON. They were funded with another application.

Mr. YATES. How many applications do they give you?

Mr. GIBSON. There is no clear way of establishing that over a period of years.

Mr. YATES. What you are telling me, they were accepted and rejected, but not the same year.

Mr. GIBSON. That was during the same year.

Mr. YATES. How many were funded? Is this a question of batting average, you file ten, and you get one or two?

Mr. GIBSON. No, no. Each application is judged upon its own merits, irrespective of the source of that application in terms of either the institution from which it came, the geographic area, or other matters.

Mr. YATES. Did they have a very good application that was rejected?

Mr. GIBSON. I believe that is true. But not excellent, it was not, and they have had others that were excellent, and I can cite some of those.

Mr. YATES. Cite them.

Mr. GIBSON. For the New York Public Library, they did an exhibition last year on censorship, 500 years of censorship. We supported an application for an exhibition this year on Spanish art, "Treasures of Spanish Art," that was displayed using also the collections of the New York Public Library.

The Metropolitan Museum of Art I mentioned also, an exhibition which occurred last year with Caravaggio, an exhibition which is on last year——

Mr. YATES. You are wondering why I am laughing.

Mr. KINGSTON. Yes.

Mr. GIBSON. Yes.

Mr. YATES. It just happens, at a dinner the other night, Mr. Bennett stated his favorite artist was Caravaggio. I told him I thought his favorite artist must have been the cave drawings.

Mr. GIBSON. I would rather not respond to that either.

Mr. YATES. How many media grants are you going to be able to give in 1986?

Mr. GIBSON. I don't have the figure.

Mr. YATES. Does someone have the figure?

Mr. CHERRINGTON. Media would be 42.

Mr. YATES. How many are you going to fund in 1986?

Mr. CHERRINGTON. Approximately 51.

Mr. YATES. Why are you going down?

Mr. GIBSON. Because with the funds, in our best judgment, the allocation of funds among the programs of the Division reflects our best judgment of the amount of funds needed to fund all of the excellent rated applications, and therefore, the funds——

RATINGS OF MEDIA APPLICATIONS

Mr. YATES. How many excellent applications did you have in 1985?

Mr. CHERRINGTON. About 33.

Mr. YATES. You haven't funded 1986 yet?

Mr. CHERRINGTON. No, sir. There is another cycle in media for that.

Mr. YATES. How many did you fund in 1984?

Mr. CHERRINGTON. I don't have that.

Mr. YATES. You are talking about excellent applications?

Mr. GIBSON. Twenty-two excellent rated in 1984.

Mr. YATES. How many very goods?

Mr. GIBSON. Eighty-seven.

Mr. YATES. And how many excellent in 1985?

Mr. GIBSON. Thirty-three.

Mr. YATES. How many very goods?

Mr. GIBSON. Seventy-nine.

Mr. YATES. How many will you be able to fund in 1987?

Mr. GIBSON. The figure——

Mr. CHERRINGTON. About 42 excellents and very goods.

Mr. YATES. It comes to what figure for 1985? You are giving me the total now of both excellents and very goods. You separated them for 1985.

Mr. CHERRINGTON. We can't really—we know in—we don't have an exact estimate on that.

Mr. YATES. You gave me an estimate you think——

Mr. CHERRINGTON. That would be a total of excellent and very good.

Mr. YATES. How many would it be?

Mr. CHERRINGTON. Forty-two.

Mr. YATES. What about 1985?

Mr. CHERRINGTON. In 1985, we funded I believe 69.

Mr. GIBSON. I have 64, but close to that range.

Mr. YATES. What was the 87 you mentioned? You said something about 87——

Mr. GIBSON. Eighty-seven is projected.

Mr. YATES. Let's start again; 1984, how many excellents?

Mr. GIBSON. Twenty-two.

Mr. YATES. How many very goods?

Mr. GIBSON. Eighty-seven.

Mr. YATES. So the total of those is?

Mr. GIBSON. Fifty-eight—we funded 58 applications.

Mr. KINGSTON. Eighty-seven is the number of applications rated very good, right?

Mr. GIBSON. Yes.

Mr. YATES. I see. And you funded 57 of those?

Mr. GIBSON. Fifty-eight.

Mr. YATES. And you received 22 excellents and funded all of them?

Mr. GIBSON. Yes.

Mr. YATES. So that is 80 in number for the total.

Mr. **Kingston**. Deduct 22 from 58, which would be 36. Twenty-two excellents were funded and 36 very goods were funded, for a total of 58. Is that right?

Mr. **Yates**. No, that isn't what he is saying. He said 58 very goods were funded.

Mr. **Gibson**. No, no, 58 total awards that had been rated——

Mr. **Yates**. Let's start again. 1985, total applications received——

Mr. **Gibson**. Steve, do you want to use your figures?

Mr. **Cherrington**. Total applications for media in 1985, 336.

Mr. **Yates**. How many excellents?

Mr. **Cherrington**. Thirty-three.

Mr. **Yates**. Ten percent. How many very goods?

Mr. **Cherrington**. Very goods would be 70 some.

Mr. **Gibson**. Seventy-nine.

Mr. **Yates**. Wait a minute. Is that applications or approvals.

Mr. **Kingston**. Applications.

Mr. **Gibson**. Simply applications rated by panels.

Mr. **Yates**. I don't want that. You told me the number of applications, 346 for all classes. Of the 346, 33 were rated excellent. How many were rated very good?

Mr. **Gibson**. Seventy-nine.

Mr. **Yates**. I just used that as a base, and Mr. Kingston told me that that was the number of applications received, not of approvals.

Mr. **Gibson**. I think there is some confusion here. The figures we gave you, 346 applications received——

Mr. **Yates**. How many excellents? The excellents were all approved. How many very goods were approved?

Mr. **Cherrington**. I have about 33.

Mr. **Gibson**. Correct.

Mr. **Yates**. Thirty-three.

Mr. **Cherrington**. Yes, sir. There were about 79 very good applications, and 33 of those were funded.

Mr. **Yates**. So the total is 66?

Mr. **Cherrington**. About that, yes.

Mr. **Yates**. Nothing else was funded, very goods were funded.

Mr. **Cherrington**. I have one good application also.

Mr. **Gibson**. One good.

"GOOD" RATED APPLICATIONS IN MEDIA

Mr. **Yates**. How do you fund one good and not the very good?

Mr. **Gibson**. Because, if I may address that——

Mr. **Yates**. You may, indeed.

Mr. **Gibson**. We asked our panels to rate the applications. There are some instances in which a panel does not have as part of its membership a person with the requisite expertise to address a certain topic or in which the panel arrives at a mixed assessment. The panel uses discretion to see if we should seek expert advice. It could be a specialist in dealing with Japanese arts, or in the Media program, an expert in film-making of a certain genre of film. In those cases, we will go out to specialist reviewers. In this case, the staff determined there was not requisite expertise in that panel, and therefore, we sought expert review——

Mr. **Yates**. Why did you submit the application to that panel in the first instance?

Mr. **Gibson**. Our panels are organized largely by scholarly discipline. Therefore, there will be films or proposals for television programs which we will send to a history panel, if it deals with the history of the United States or the history of any ilk. But we may receive an application, since obviously our guidelines allow that, in Japanese medieval history. We will have a panel look at that application, but we would as well in that case seek the advice and recommendations of Japanese historians. Because we would not receive a sufficient number of applications in Asian history, for example, to convene a separate panel for that. In an interest of fairness to the——

Mr. **Yates**. If it is rated good, what difference does it make? If it is rated good, why do you fund a good over a very good that you don't fund? I don't understand that.

Mr. **Gibson**. Because in the judgment of the staff, I cannot recall the specific vote on this application, but there were members of the panel who thought it was excellent and rated it "E", there were others who did not, who rated it down for one or another reason.

In order to reconcile that difference, we seek additional expertise. Our judgment, based upon the outside review——

STAGES OF REVIEW SYSTEM

Mr. **Yates**. Who is "our judgment", the staff?

Mr. **Gibson**. Staff judgment, confirmed however, by the National Council and the Chairman.

Mr. **Yates**. Wait a minute. What happens to your panels? You were telling me your panels decide which are the grants to be made, and now you are telling me with respect to this one panel, this one instance, the panel didn't decide, the staff decided, the Council decided, and the Chairman decided.

Mr. **Agresto**. There are instances in which the panel will not have expertise or say, "Gee, I wish another expert would look at this."

Mr. **Yates**. It doesn't make any difference. Some panel should look at it.

Mr. **Agresto**. A panel did.

Mr. **Yates**. You didn't take the word of the panel.

Mr. **Agresto**. Very often the panels will direct us "Get further information on this." That is perfectly appropriate.

Mr. **Yates**. It is resubmitted to the panel after you get information?

Mr. **Agresto**. No. At that point, the staff will look at the panel judgment plus the outside review judgment and say——

Mr. **Yates**. That is not panel review, is it?

Mr. **Kingston**. When there is any case of that that occurs, that is, there is something eccentric in the review process, the panel has said, "Look for more outside opinion," or something of that sort. The staff will make a recommendation one way or the other based upon panel comments and call that application to the attention of the National Council, because it is the National Council which makes the final recommendations in the review process and procedures.

Mr. YATES. What you are saying is in certain cases we don't submit them to the panel.

Mr. KINGSTON. No.

Mr. YATES. You submit it to the panel and the panel said "Get more information."

Mr. KINGSTON. If you have a panel with—eight people on it——

Mr. YATES. Why don't you submit it to the panel again? They say "We don't have enough information to judge this application."

Mr. KINGSTON. Or they may have been absolutely split. You may have four voting excellent——

Mr. YATES. Why don't you do what Ms. Griest did, and why don't you tell the guy to come back next year after you have a chance to have more information?

Mr. GIBSON. If I may address that, in most cases, we do.

Mr. YATES. First of all, tell me what the application was that was good that was funded over very good.

Mr. GIBSON. I don't have that information.

Mr. YATES. You better get it. I want to know why you approved a good over a very good.

Mr. GIBSON. We certainly can provide that information.

[The information follows:]

MEDIA AWARD IN FY 1985 RATED BELOW "VERY GOOD" BY PANELS

An examination of Endowment records reveals that two applications received awards in the Media program in FY 1985 after being rated below "very good" by panels:

1. "American Forum: Bicentennial of the Constitution Television Series"—Grantee: World News Institute, Inc., Great Falls, Viriginia. Award: $100,000. Term of Project: 4/1/85–4/30/86.

Description of Project: To support the production of three 30-minute television pilot discussion programs on the creation, ratification, and implementation of the U.S. Constitution, featuring scholars discusing James Madison, Thomas Jefferson, and Alexander Hamilton.

Discussion: Panelists considered this application to be one of the best proposals they read on the Constitution and were impressed with its treatment of history, jurisprudence, and political philosophy. They thought the scholars associated with the project were first-rate historians, law professors, and political scientists and represented an ideal mix of differing philosophies and approaches to studying the Constitution. The relatively low rating of the panel was based solely on their fears that the host of the programs was not engaging enough for the subject at hand and could make the series, as a whole, dull. Given the overall strengths of the application, however, the National Council thought the proposal presented an opportunity that should not be missed and recommended funding.

2. "Visions of Social Order"—Grantee: Amagin, Inc., McKean, Pennsylvania. Award: $32,000. Term of Project: 10/85–10/86.

Description of Project: To support the writing of scripts for two 60-minute television documentaries examining the life and thought of John Locke and Karl Marx. The programs will feature scholarly discussions of each philosopher's thoughts.

Discussion: The applicant originally proposed to write 13 scripts discussing the ideas of major political philosophers. Panelists found compelling the idea of having leading scholars discuss major political thinkers who have had a significant influence on political philosophy in Western Civilization. Although favorable to the concept, the panel questioned the overly-ambitious nature of funding 13 scripts.

NEH staff submitted the proposal to outside specialist reviewers who were generally favorably impressed by the application. On the strength of this assessment and the tenor of the panel discussion, the Council recommended funding for two scripts.

Mr. YATES. It doesn't make sense, does it?

Mr. Gibson. If I may speak at a little greater length here——

Mr. Yates. Wait a minute. Who rated it ultimately? Did the panel rate that application ultimately?

Mr. Kingston. It depends what panel you are talking to.

Mr. Yates. I am talking about that case.

Mr. Kingston. I don't know about that case.

Mr. Agresto. We include those people as part of the review process.

Mr. Yates. I have no objection to that, John. I am trying to find out why an application rated good got money over those that were rejected that were very good.

Mr. Agresto. In the opinion of the people that were sent it, it came back rated as excellent. In other words, reviewers would have rated it excellent, even though the panel said "We think it is good, we are not sure." Even though the panel rated it good, the reviewers came back and said "That is a spectacular project." We took that, plus the panel saying "It is good," as enough to sway support.

Mr. Yates. Why didn't you do like Ms. Griest and submit them to outside——

Mr. Kingston. We do in cases of split panels. We will submit it to outside review.

Mr. Yates. What happens?

Mr. Kingston. That comes back to be arbitrated by the National Council and it recommends to the chairman what to fund or not to fund.

Mr. Cherrington. We may not want to convene a special panel to consider one application.

SPLIT PANEL RATINGS

Mr. Yates. The thing I don't understand is why you would fund a good application when you have very goods that were not funded.

Mr. Kingston. If you average the scores of four "Es" against four not recommended, you come up with an average of good, but the average doesn't mean anything because the panel didn't arrive at consensus on that particular application.

Mr. Yates. Are all split panel decisions submitted to outside review?

Mr. Kingston. Every split panel? I would not want to say absolutely yes, but it is generally the case that if you do have a split panel, it will receive additional review.

Mr. Yates. If you have a split panel, every application is entitled to the same treatment, and every application from a split panel ought to go to outside reviewers, right?

Mr. Agresto. Pretty much that is the case.

Mr. Kingston. I don't know of any exceptions, but I hesitate to say absolutely.

Mr. Agresto. Especially if it is split between half the panel, it is absolutely excellent, and the others say "We don't really know." But certainly some proposal like that——

Mr. Yates. A person not conversant with the area would give it any rating.

Mr. Agresto. They might rate it on other grounds.

Mr. **Yates**. They are kind of silly if they do, if they say "We don't know anything about this."

Mr. **Agresto**. We will have people on the panel who will know about production values, the media——

Mr. **Yates**. I want to know about this particular case.

Mr. **Agresto**. No problem.

Mr. **Yates**. Well, that is 66 in 1985 total. You anticipate how many will be approved in 1986?

Mr. **Cherrington**. Fifty-one.

Mr. **Yates**. Why such a fall?

Mr. **Cherrington**. Don.

Mr. **Gibson**. Because when we assess our budget, assessed and evaluated the ratings of the panel over the last few years, it was our judgment the amount of money we are requesting would allow us to support all of the excellents and a few of the very goods.

Mr. **Yates**. Out of 51, how many excellents would you say would be in there?

Mr. **Gibson**. If one follows the pattern of what happened in 1985, we would probably have in the range of 30 to 35 excellent rated applications.

Mr. **Yates**. How many very goods?

Mr. **Gibson**. Again I would say probably in the range of 70 to 80 which is following the——

Mr. **Yates**. How many approved very goods?

Mr. **Gibson**. It would be roughly 20.

Mr. **Yates**. As opposed to 33?

Mr. **Gibson**. Correct.

FUNDING FOR MEDIA PROGRAM

Mr. **Yates**. Now why the difference? You start out with $8,864,000 in FY 1986. What is the figure for this year after Gramm-Rudman?

Mr. **Cherrington**. Eight——

Mr. **Yates**. Here it is, $7,000,000. That is the 1987 request. Gramm-Rudman didn't apply to 1986, except for the 4.3 percent reduction.

Mr. **Cherrington**. We figure media this year $8,483,000 after Gramm-Rudman.

Mr. **Yates**. For this year, meaning 1986? Eight million, four hundred——

Mr. **Cherrington**. And 83,000.

Mr. **Yates**. So you lost $400,000, right, as a result of Gramm-Rudman, and that is why you lost media grants. How many do you have for 1987? How many excellents do you expect? How many applications do you expect for 1987?

Mr. **Gibson**. We assume approximately 350.

Mr. **Yates**. All right. How many excellents do you expect out of that?

Mr. **Gibson**. I can only speak in terms of what has occurred in the recent past. I would anticipate 30 to 35.

Mr. **Yates**. How many very goods?

Mr. **Gibson**. Seventy to 80.

Mr. **Yates**. How many approvals?

Mr. GIBSON. I would say we would be able to approve all of the excellents and approximately 20 of the very good rated applications.

Mr. YATES. That would presume that you have the same amount of money in 1987 that you have in 1986, doesn't it? Because that is what you say is going to happen in 1986.

Mr. GIBSON. I misspoke, if I said that.

Mr. CHERRINGTON. We think there would be a total of 42 in 1987.

Mr. YATES. Forty-two, as opposed to 51?

Mr. GIBSON. Excuse me. I erred.

Mr. YATES. In another four to five years, you don't have any media grants at all on that basis, do you?

Mr. CHERRINGTON. I don't think we anticipate decreasing the media budget.

Mr. YATES. You moved from 66 to 51, whatever, in three years. In another three years, what are you down to at that rate?

Mr. CHERRINGTON. I think the funding—we have no plans to decrease the funding available for media below $7 million.

Mr. YATES. What happens if you get a Gramm-Rudman cut for 1987?

Mr. AGRESTO. Not only do we not have plans to decrease this, we are going to put more and more matching money into the media program.

Mr. YATES. Ronald Reagan actually talked about Alfred North Whitehead?

Mr. AGRESTO. I gathered he did.

Mr. YATES. In your justification, in the humanities, you talked about the sorry state of learning in the humanities and say it is:

> Emblematic of other problems in the way our society transmits an understanding of the past. While in some respects the humanities research being done in the United States ranks among the finest anywhere in the world, too many scholars produce work that is lifeless and trivial. And, in avenues open for reaching the general public—television, radio, museums, and libraries—missed opportunities abound for engaging audiences in programming that is challenging and intellectually vibrant.

You are going to miss more and more, aren't you?

Mr. AGRESTO. I think funding all of the excellent projects is good.

Mr. YATES. What is your definition of healthy, from 33 to 20 back down to—wait a minute now, from 20 down to 11. Is that healthy? It sounds to me like anorexia. It sounds to me your programs are on that kind of dive.

Mr. AGRESTO. No, I trust we are not starving in this.

Mr. YATES. What do your figures show?

Mr. AGRESTO. Our figures show we are funding all of the excellent projects and funding a number of the very goods, and we are pleased with that.

Mr. YATES. Tell me about the case of the poor.

Mr. AGRESTO. Those we would not care to fund.

Mr. YATES. Even though the outside people thought it was good.

Mr. AGRESTO. That we don't——

Mr. YATES. Careful now. You like this program?

Mr. AGRESTO. We like this program.

Mr. YATES. I do too. You like the amount of money you have available for it?

Mr. **Agresto**. I think that amount of money is a fine amount of money?

Mr. **Yates**. You do?

Mr. **Agresto**. Yes. And we have done some good work.

Mr. **Yates**. Is it as good an amount of money as you had this year?

Mr. **Agresto**. It is a responsible amount to ask for.

Mr. **Yates**. Is it as good an amount of money as you had in 1985?

Mr. **Agresto**. I think it is.

Mr. **Yates**. How much did you have in 1985?

Mr. **Agresto**. In 1986, pre-Gramm-Rudman, $8,864,000. Eight million—oh, 1985.

Mr. **Yates**. Pre-Gramm-Rudman. After, you had $8,864,000. This year you have $7,000,000.

Mr. **Agresto**. Seven million dollars.

MATCHING FUNDS IN GENERAL PROGRAMS

Mr. **Yates**. You had $8.7 million and then $8,864,000; now you want $7 million. Are you going to do as good work with the $7 million as you did with the $8 million?

Mr. **Agresto**. These are the definite funds, we are putting matching money into this as well.

Mr. **Yates**. If you put matching money in, what is the total you have available.

Mr. **Agresto**. We want to see what kind of projects come in and what matching funds they can raise. It will be more.

Mr. **Yates**. Did you put matching money in in 1985?

Mr. **Agresto**. In 1986, I know we did.

Mr. **Gibson**. $1.5 million.

Mr. **Yates**. Why did you put it in there? You were short, in other words?

Mr. **Gibson**. No, no, no. It is part of our effort which we think is being successful in encouraging private sector contributions.

Mr. **Yates**. What you are saying then is the amount you are asking for in appropriations isn't the total amount you assume will be available, you are also assuming the amount will be available from challenge and Treasury funds?

Mr. **Gibson**. Treasury funds.

Mr. **Yates**. If it doesn't come to pass, you have to cut your programs more.

Mr. **Agresto**. That is one reason we are asking for more money in our Treasury funds.

Mr. **Cherrington**. In Don's division, we had $1.4 million in Treasury in General Programs in 1985. In 1986, after Gramm-Rudman, $1.6 million——

Mr. **Yates**. But Mr. Gibson has the programs that are dynamic and vibrant, doesn't he?

Mr. **Gibson**. I certainly hope so.

Mr. **Yates**. He has the dynamic and vibrant programs according to your program.

Mr. **Agresto**. No doubt about it.

Mr. **Yates**. Why does it make sense for his program funds to be cut?

Mr. CHERRINGTON. In 1987, the Treasury funds we anticipate would be $2.5 million, which is an increase.

Mr. YATES. How much did you make available for 1986?

Mr. CHERRINGTON. $1.6 million.

Mr. YATES. How much in 1985?

Mr. CHERRINGTON. In 1985, it was $1.4 million.

Mr. YATES. How does the total in 1987 compare with the total in 1986?

Mr. CHERRINGTON. It is $1.1 million more. I think you can also double that, because——

Mr. YATES. "And in avenues open for reaching the general public—television, radio, museums, and libraries—missed opportunities abound for engaging audiences in programming that is challenging and intellectually vibrant." This committee is going to have a missed opportunity to put in money for this kind of program.

Mr. AGRESTO. We would like $7 million plus a healthy expansion in Treasury funds.

Mr. YATES. You wouldn't like $8 million?

Mr. AGRESTO. We will get over $8 million including matching money.

Mr. YATES. Because you need $8 million, you are going to put in the matching money.

Mr. AGRESTO. Yes.

Mr. YATES. If you had $2 million out of the matching money, you would put that in too, wouldn't you? Yes, you would?

Mr. AGRESTO. No, if we had more in matching money——

Mr. YATES. Then you put it in reserve?

Mr. AGRESTO. No, that depends on the gifts we make. I do think the estimate of $2.5 million is right.

EXAMPLES OF PROJECTS FUNDED IN GENERAL PROGRAMS

Mr. YATES. What else do you want to tell us, Mr. Gibson, other than you have the vibrant and dynamic programs?

Mr. GIBSON. I could mention a few of the programs we are proud of that will be aired on public television. "Roanoke," which is a three-hour, three-part drama, is based on the contact between the Native Americans and Lost Colony of Roanoke. It will air this spring.

Mr. YATES. How much money did you put into that?

Mr. GIBSON. Approximately $1 million.

"The Africans," a nine-part series on the history of Africa seen from the Islamic, indigenous, and western influences; "Huey Long," which is a documentary——

Mr. YATES. I saw it last year. It was shown last year.

Mr. GIBSON. But it has not been aired on public television. Also "Seize The Day," which is a 90-minute dramatization of Saul Bellow's novel, which is superb, but very depressing, as Bellow is supposed to be.

Mr. YATES. Which novel?

Mr. GIBSON. "Seize The Day."

I could also mention some of the museum exhibitions which have been——

Mr. YATES. The committee is interested.

Mr. GIBSON. I mentioned Caravaggio. In Chicago, we have two exhibitions, one which is I believe currently being implemented and others developing, on Chicago architecture; one dealing with the fragments of some of the great buildings——

Mr. YATES. Where is that shown?

Mr. GIBSON. At the Art Institute. Currently at the Metropolitan, and I don't want to be outdone by the Fellowships Division, we have an exhibition on Gothic and Renaissance art in Nuremburg.

Mr. YATES. What?

Mr. GIBSON. Gothic and Renaissance art in Nuremburg.

Mr. YATES. Does that show Caravaggio?

Mr. GIBSON. No. I will leave another one here.

Mr. YATES. Thank you.

Mr. KINGSTON. He is not German.

Mr. YATES. It doesn't say German renaissance work.

Mr. GIBSON. Nuremburg, by last count, was in Germany.

The Philadelphia Museum of Art is conducting a show on the history of medicine. One of the reasons it is a superb show is not only because of the quality of artifacts being displayed, but the fact the museum has undertaken a momentous task to engage schools, libraries, and other institutions throughout the city in a study of this type of activity, and we encourage these kinds of public educational efforts which go beyond simply the exhibitions.

SUPPORT FOR CONSERVATION

Mr. YATES. Now, you are dropping conservation funding for museums, right?

Mr. GIBSON. No, that is not correct.

Mr. YATES. Here is a Washington report for the American Association of Museums.

Mr. GIBSON. I have read the report.

Mr. YATES. It says that the museums and historical organizations program at NEH is dropping its separate funding category for conservation.

Mr. GIBSON. Indeed, we are dropping a separate funding category for conservation. We introduced this area of support in 1984 in response to our recognition that a number of important exhibitions were not able to be mounted because objects, artifacts, or other things to be displayed were not in fit condition to be displayed. Therefore, we felt it would be appropriate to offer conservation funds for that.

We introduced it as a separate line and discovered rather quickly, through our panel process, that we did not have sufficient information to judge the potential educational value of the projects which they might use those objects for in the future. We now, therefore, offer support for conservation as it relates to a specific exhibition, and they need only apply for the conservation funds within that application.

Actually, it makes it easier for the applicant because they need not submit two separate applications which can be quite expensive to prepare.

LIBRARIES PROGRAM

Mr. YATES. What other things do you want to tell us? You think your appropriation is good enough, right?

Mr. GIBSON. I think it certainly will allow us to have a substantial impact on public educational activities in the humanities.

Mr. YATES. Is that saying the same thing?

Mr. GIBSON. Pardon?

Mr. YATES. Is that saying the same thing, you have enough money?

Mr. GIBSON. I think so, yes. I could cite another example of how I think the monies can be made to go a significant way, a substantial way, and that is to cite a series of activities or projects which we have supported through the Libraries program in conjunction with the American Library Association. And that is the "Let's Talk About It" series of programs. We put a substantial amount of money into a project a year or two ago with ALA, out of Chicago, to design programs and to hold a competition for various state groups to apply for funds to do reading and discussion groups, reading and discussion on selected books, organized according to themes or topics, whether that be southern literature or the history of the bicentennial period, or a variety of other topics.

As a result of that seed money, if you will, a significant number of exemplary projects were started. We are now seeing all over the country—in fact, I think it is in at least 40 of the states—those reading and discussion programs are occurring without additional NEH monies. They are finding monies from other sources, or they are simply using our model. A number of state humanities councils have found it is an effective way of doing that, as well, and are designing programs that fit their particular state.

EDUCATIONAL IMPACT OF GENERAL PROGRAMS' GRANTS

Mr. YATES. Do you propose in your program to remedy the defects in children's education that Mr. Agresto talked about in his opening statement?

Mr. GIBSON. We are not directly concerned with instruction in schools, rather our approach is to broaden general education, though we do allow projects for——

Mr. YATES. All right, let's accept that. The main thrust of my question is nevertheless will you be dealing with the kind of gaps even though it is not in the schools, that Mr. Agresto is talking about?

Mr. GIBSON. We hope to make a contribution.

Mr. YATES. How would you do that?

Mr. GIBSON. I will mention one specific change we introduced in the last year, but let me go back to the media program initially. We introduced three years ago an emphasis on children's media. We are encouraging independent producers, television stations, and others to apply to us for programs that would be directed toward youth. Principally, we are concerned about junior high and high school age youth, though programs have been funded for levels under that. I mentioned earlier, some of those projects that did occur.

We assume that out-of-school watching of quality television and listening to quality radio programs will address some of the deficiencies Mr. Agresto——

COMMERCIAL DISTRIBUTION OF MEDIA PROJECTS

Mr. YATES. Have the programs to which you have granted funds ever been shown on commercial television?

Mr. GIBSON. One. "Out of Time." It is a 58-minute historical dramatization of Baltimore life in the 19th century. We allow applicants one year between the time the project is completed until they must offer it to public television. We offer a window of opportunity for them to seek other means of distributing those products because we wish to have our humanities films and programs seen as broadly as possible. They may seek, if they wish, distribution to commercial theaters through home video, cable television, and on a very rare chance, commercial television.

Mr. YATES. Is it made available to public television after it has been on commercial?

Mr. GIBSON. It must be. Our grant award requires that it be. I might add, approximately 98 percent of all of the films we support are accepted by public television.

"GOOD" PROJECTS FUNDED IN OTHER DIVISIONS

Mr. YATES. Are there any other instances of where good programs, rated as good, have been approved over programs rated very good that were—this is one instance. Are there others?

Mr. GIBSON. I can check.

Mr. YATES. Is that true of any of the divisions?

Mr. AGRESTO. It will happen occasionally.

Mr. YATES. I would like to know the instances on all of them. I think that is a research project in itself. Then you have to identify all the very good programs in order to see why they did not merit approval over your good programs, your very goods.

Mr. AGRESTO. I think we can concentrate on the merits of the good projects.

Mr. YATES. All right.

[The information follows:]

APPLICATIONS RATED OTHER THAN "EXCELLENT" OR "VERY GOOD" BY PANELS RECEIVING AWARDS IN FY 1985

In FY 1985, 85 applicants to the Endowment received awards that were rated less than "excellent" or "very good" by panels. This represents about four percent of the 1,905 awards made by the agency in FY 1985.

Panels, however, represent only one part of the Endowment's multi-tiered review system. Other phases of the system include outside review, staff, the National Council on the Humanities, and the Chairman.

In the Travel to Collections and Younger Scholars programs, for example, applications are reviewed by "mail out" panels rather than by panels convened at the Endowment. This process yielded several split panel votes that were subsequently considered by a special NEH staff panel before being reviewed by the Council and the Chairman.

In several other Endowment programs in fiscal 1985, all of the "excellent," all of the "very goods," and some proposals rated less than "very good" by panels were funded. In State Programs, for instance, all state council applications rated below "VG" were funded in addition to all of the higher rated proposals.

Mr. YATES. Mr. Gibson, did I stop you from saying something?

Mr. GIBSON. No, I probably said it before, but only——

Mr. YATES. Okay.

Mr. GIBSON. In most instances, a good rated application—that is, one that is not very good or excellent—will not be supported, and the staff will work energetically to extend the opportunity for resubmission. It is the rare case we believe, based upon what the panel has said and the staff assesses, that a good application should be given, or the applicant should be given every chance, because it is the kind of thing we would like to support. In a few cases where we believe this applicant deserves a special chance because of a split panel or the idea is particularly compelling——

Mr. YATES. Suppose a panel isn't split and the staff member believes it made a mistake, what happens then?

Mr. KINGSTON. The staff member believes the panel made a mistake?

Mr. YATES. Yes.

Mr. KINGSTON. There is some sort of prejudicial treatment?

Mr. YATES. For any reason.

Mr. KINGSTON. There are several options, and this does, every now and then, come up. One option, of course, is to seek additional review to see if it corresponds with the panel recommendation. Inevitably the staff member would call the application to the National Council——

COUNCIL REVIEW OF APPLICATIONS

Mr. YATES. Can the Council overrule the panel?

Mr. KINGSTON. Sure.

Mr. YATES. Have they done it?

Mr. KINGSTON. It does on some occasions. Or mediate, more often mediates the split.

Mr. YATES. How often has it been done? I am talking about a unanimous panel.

Mr. AGRESTO. That would be rare.

Mr. YATES. Has it happened?

Mr. AGRESTO. I imagine I can find an instance, but I can't think of one offhand. But often we do bring to the Council's attention, we direct the Council to look at all those projects that receive a good or a split vote. If there were people on the staff or outside review that says this is a top-flight project, why don't you give it a second look?

Mr. KINGSTON. They regard themselves as a quality control mechanism.

WORKLOAD OF PANELISTS

Mr. YATES. Let's go off on another tangent here.

How much time do your panelists get to review applications? Does it vary from division to division?

Mr. GIBSON. I am sure it does, but I doubt it varies very much. I can speak specifically for my division. We mail applications three to four weeks before they convene in order to give them time to read those applications.

Mr. **Yates**. Three to four weeks. So they have about four weeks to look at it?

Mr. **Gibson**. And they normally would receive 35 applications. That might vary somewhat because we try to keep it somewhat at that range because we believe it becomes an excessive amount of reading much beyond that. And they will meet for two full days to consider those 30 odd applications. So each application will have a, we believe, fair hearing.

Mr. **Yates**. Can you cover 30 applications in two days?

Mr. **Gibson**. Yes.

Mr. **Yates**. Ms. Griest, how much time do you give your panels?

Ms. **Griest**. We give them four weeks.

Mr. **Yates**. Same as his?

Ms. **Griest**. Yes, just about the same. We send them more applications, about 75, but remember the applications are considerably shorter because they are fellowship projects.

Mr. **Yates**. Wait a minute, Ms. Griest. You send them how many?

Mr. **Gibson**. Thirty, thirty-five.

Mr. **Yates**. Thirty to 35—where did I get the 70 then?

Ms. **Griest**. I said 75 applications.

Mr. **Yates**. This is a different panel, isn't it?

Ms. **Griest**. Yes. It is a very different panel. This is a fellowship application panel.

Mr. **Yates**. And that is 110, right?

Ms. **Griest**. What is 110?

Mr. **Yates**. The sum total of yours. I am thinking out loud here. How many approvals do you have? You deal with 66 approvals that are submitted to your Council from your panels?

Mr. **Agresto**. Number of panels.

Mr. **Kingston**. That would not be the only media panels.

Mr. **Yates**. How many media panels do you have a year?

Mr. **Gibson**. Six per cycle. We have 12 media panels in a year, and they are different, they are composed of different people.

Mr. **Yates**. And each of them gets 30 to 35?

Mr. **Gibson**. Yes.

Mr. **Yates**. That is what, 200 applications? Three-hundred. Ms. Griest, you give them a month, too?

Ms. **Griest**. Yes, we do. And they meet, our panels meet for one full day.

Mr. **Yates**. For one day?

Ms. **Griest**. Yes.

Mr. **Yates**. Is that enough time?

Ms. **Griest**. Yes, it is. And they deal very thoroughly and carefully with the applications.

REVIEW BY THE NATIONAL COUNCIL

Mr. **Yates**. How many approvals do you give the Council at the end of your paneling system? How many applications for their approval do you give them?

Ms. **Griest**. Now, I am—we had 4,500 applications.

Mr. **Yates**. How often does your Council meet?

Ms. **Griest**. Four times a year.

Mr. YATES. They will meet when? Is this a regular meeting?

Ms. GRIEST. Four regular meetings.

Mr. YATES. Your first quarter, let's take your Council meeting for the first quarter, what will they receive from Ms. Griest and from Mr. Gibson and the others?

Mr. AGRESTO. Whatever proposals have been reviewed by the panels in the previous quarter.

Mr. YATES. Will they receive only those approved by the panels, or will they get them all?

Mr. AGRESTO. They get a complete list of those approved and those disapproved.

Mr. YATES. How long does your Council meet?

Mr. AGRESTO. The Council meets in committee—there will be a committee for Don's program, a committee for Guin's program. They will meet on Thursday, and then collectively on Friday, where there will be a full Council vote. So two days.

Mr. YATES. What is the total of the individual applications they have to review by committee and in total?

Ms. GRIEST. For fellowships in February, we took Summer Stipends, 1,450 applications, so that was our main——

Mr. YATES. Is this the first quarter? I am trying to identify——

Ms. GRIEST. That would be November——

Mr. CHERRINGTON. The first quarter would be independent fellowships.

Ms. GRIEST. All right, we took about 1,700 applications for Fellowships for Independent Study and Research and College Teachers, and we took about, I can't remember, about 400 Travel to Collections Program applications to that Council.

Mr. YATES. Four-hundred out of 1,700, right? They have 400 to deal with?

Mr. AGRESTO. No.

Mr. KINGSTON. The total number of applications was 1,200.

Mr. YATES. How many applications did you receive?

Ms. GRIEST. Seventeen-hundred and 400.

Mr. YATES. Twenty-one hundred were received altogether. Do all 2,100 go to the Council?

Ms. GRIEST. The Council gets a list of every application, yes.

Mr. YATES. Of every application.

Mr. KINGSTON. They get a list of the applications. They don't receive the 2,100 applications as a package.

COUNCIL COMMITTEES

Mr. YATES. What do they receive as a package, anything?

Mr. KINGSTON. What they receive is a Council Committee book put together by the division which lists the applications that the panelists have recommended for funding and the reasons therefor. It will call to the attention of the Council any split of panel vote and the reasons thereto.

That booklet, in addition to the list of applications, goes to the Council members, and then if there are cases where there is a split vote, or in a case where we need the Council's adjudication of the difference of opinion on a panel, we will send a copy of that application. The actual number of applications the Council members read, well, it could vary depending on what kind of problem applications we may have.

Mr. Yates. Let's take the first quarter, how many will they have to consider?

Mr. Cherrington. We get about 8,000 applications a year, we have four Council meetings a year, so roughly 2,000 applications go before each Council. The number of applications that go to each division and each program varies, deadlines differ.

Mr. Yates. When your Council meets in its first quarter, how many applications would it have to consider?

Mr. Cherrington. The first quarter, it is a little busier because Guin's program—I would say the first meeting might have 3,000 applications.

Mr. Yates. When do the Council members receive the 3,000 applications? When do they get the book, in other words?

Mr. Kingston. They get their books about three weeks before the meeting.

Mr. Yates. Three weeks before the meeting to review 3,000 applications?

Mr. Agresto. They are broken down into committees, so the committees are just looking at their part.

Mr. Yates. The books are separated.

Mr. Kingston. By division.

Mr. Agresto. By division.

Mr. Yates. So that you break up the applications actually into books, don't you, to go by committees?

Mr. Agresto. Yes.

Mr. Cherrington. Seven different committees.

Mr. Yates. What are the names of the committees, Literature, and so forth?

Mr. Agresto. There would be a Committee for General Programs, a Committee for Fellowships.

Mr. Yates. All right. Each committee, then, would see Ms. Griest's 21 applications, they will have a list of those, and they will have a list of her "excellents"?

Mr. Kingston. With reasons.

Mr. Agresto. With reasons.

Mr. Yates. And her very goods, goods and the balance?

Mr. Agresto. And the balance.

Mr. Yates. That is all they have.

Mr. Agresto. Then, in fact——

Mr. Yates. They don't see any of the other applications?

Mr. Agresto. The committee would not see applications from a different committee.

Mr. Yates. Council members.

Mr. Agresto. Council members. They could ask for it if they chose to, but by and large, they have enough work to do on committees. It may be helpful if we would submit to Mr. Yates a Council book. I will give you a book, I will give you Don's book he submits to the Council members.

Mr. Yates. I think it would be fine if you did.

Yes, Ms. Griest?

Ms. **Griest**. I was just going to say we have in the committee book the list of the panelists who read the applications, we have summaries, we have fact sheets of recommended applications, and we have summaries of panel discussions for all recommended applications.

Mr. **Yates**. I think you ought to submit a book for our files.

Ms. **Griest**. You would find it very interesting.

Mr. **Yates**. Ms. Griest's committee reviews her book that she has put together for them, and they then report to the Council the next day in plenary, as it were.

Mr. **Kingston**. That is right. With a formal motion for funding, which lists the grants they are recommending for approval, the applications they are recommending for approval.

Mr. **Gibson**. And rejections.

Mr. **Kingston**. That is true.

Mr. **Yates**. Is that a fair process? They pass on applications, but they pass on them in the same way the Congress does, I guess. Subcommittees come to the full committee——

Mr. **Kingston**. That is exactly right. If there have been any major issues in the discussion of an application, particularly an issue with regard to policy, the committee will report it back to Council, and we may spend half an hour discussing one application that was up before that Council in plenary.

Mr. **Yates**. So that in plenary sessions they review, what, 8,000 applications?

Mr. **Agresto**. They would pass on——

Mr. **Yates**. Or 2,000?

Mr. **Agresto**. They would pass on that, but would not read all those.

Mr. **Yates**. They would just read Ms. Griest's 2,100, her committee.

Mr. **Agresto**. Her committee.

Mr. **Yates**. How many does yours have, Mr. Gibson?

Mr. **Gibson**. Approximately 250 to Council.

Mr. **Yates**. Does that mean yours are more important than hers because she has only about 10 percent?

Mr. **Gibson**. Far be it for me to say it on the public record.

Mr. **Cherrington**. She only has one cycle a year that would have that many applications.

RESEARCH PROGRAMS

Mr. **Yates**. All right. Mr. Gibson, thank you very much.

Now we have Mr. Ekman, Research. Mr. Ekman.

Mr. **Ekman**. Good afternoon.

Mr. **Yates**. What do you want to tell us?

Mr. **Ekman**. This is the second of the divisions of the Endowment that supports scholarly research. In contrast to Ms. Griest's division, the principal mission for our division is to support products that self-consciously acknowledge the need for research to be done on particular topics that lead to the production of books that address the effort to bring the best people together with the most significant topics. I too have brought you some samples today.

Mr. **Yates**. Good. Where are they?

Mr. **Ekman**. They are under the table. Not to be outdone by my colleagues.

Mr. **Yates**. I remember that one. Were you the one who came in with this?

Mr. **Ekman**. Mr. Cassidy, himself.

Mr. **Yates**. Off the record.

[Discussion off the record.]

EXAMPLES OF RESEARCH GRANTS

Mr. **Ekman**. This is the first volume of the "Dictionary of American Regional English". There will be five altogether, including the index. It has accounted for several grants totalling well over $1 million of Federal funding over the last ten or 12 years and close to one million in matching dollars. That illustrates the kind of reference tool the research program supports, dictionaries, encyclopedias, concordances.

Another work is "The History Of Southern Literature", written by five of the best scholars in that field. This is a grant that was made through our interpretive research program for about $60,000.

Mr. **Yates**. Interpreting what, the southern accent?

Mr. **Ekman**. Among other things, yes. We have talked today about Verdi. I guess we have something of a Verdi industry at the National Endowment. One of the biggest projects is the effort to prepare a definitive edition of Verdi's work. The first of these volumes came out this year; it is the score of Rigoletto. And there are accompanying notes. This critical edition of Verdi's work——

Mr. **Yates**. How come everybody is interested in Verdi?

Mr. **Ekman**. Once this score was established, there were performances which received a good deal of newspaper comment from the critics saying now critics understood some new things about what Verdi had intended in the way these works would be performed.

Mr. **Yates**. This is a score, isn't it?

Mr. **Ekman**. Yes, it is, and the smaller volume is commentary on the score.

Mr. **Yates**. In Italian?

Mr. **Ekman**. The score is, yes. The critical commentary is not.

Mr. **Yates**. I see. Continue.

Mr. **Ekman**. Not all our works are confined to specialized scholars, of course. Here is a book that resulted from an effort to translate the "Popol Vuh," which is the origin of the universe. This edition won an award this year, and our expectation is that a book like this will be included in college and high school classes in accordance with our initiative on "Understanding Other Nations" that will enable people to read for the first time the efforts to understand that important American culture.

I can keep going.

Mr. **Yates**. Go ahead.

Mr. **Ekman**. Another book that received a good deal of publicity is a book by Robert Bellah and four other scholars. It is based on an amount of field work trying to get at American attitudes toward individualism and social commitment. The book has attracted a good deal of commentary, and the research that has led to this volume will make possible two or three more volumes, a good deal of research by the five scholars.

The Editions program does a number of literary editions, as well. One of the big ones is the Mark Twain edition, located out at Berkeley.

Mr. **Yates**. Mark Twain edition of what?

Mr. **Ekman**. Of all his works. The volume I have here is the Huckleberry Finn edition. For each book, three different versions appear. There is the scholarly version, which has the original illustrations; an authoritative text, where there are discrepancies in earlier versions; and, of course, notes and commentary. The two other editions are less specialized, including, for example, paperback——

LIBRARY OF AMERICA SERIES

Mr. **Yates**. You are also financing an American Library, aren't you, which also has Mark Twain?

Mr. **Ekman**. That is right. The Library of America.

Mr. **Yates**. How much has that advanced?

Mr. **Agresto**. Twenty-some odd volumes.

Mr. **Gibson**. It is well in the 30s.

Mr. **Yates**. Who is in charge of the American Library project?

Mr. **Kingston**. Mr. Gibson.

Mr. **Yates**. Why didn't you tell us about it?

Mr. **Gibson**. I didn't have time.

Mr. **Yates**. Who are the authors?

Mr. **Gibson**. I can provide a list for the committee. James, Parkman, Twain, Hawthorne——

Mr. **Yates**. Herman Melville. Jefferson. Francis Parkman.

Mr. **Gibson**. Cooper.

Mr. **Yates**. Harriett Beecher Stowe.

Why don't I have a copy of that?

Mr. **Gibson**. I will personally deliver one to you.

Mr. **Yates**. Who else? Doesn't anybody here read the American Library?

Mr. **Gibson**. I have it in my office. I would be happy to provide a list, as well as the volume you requested.

Mr. **Yates**. Okay. Thank you very much.

You don't have Anne of Green Gables, do you? What is the last——

Mr. **Ekman**. The last is a book, we supported entitled "Democratic Vistas."

Mr. **Yates**. I can't imagine Mr. Agresto or Mr. Bennett would approve that.

Mr. **Ekman**. As you can see, the illustrations are fairly complicated. In this case, Temple University press anticipated a deficit——

REVIEW OF APPLICATIONS IN RESEARCH PROGRAMS

Mr. **Yates**. How did you get approval——

Mr. **Ekman**. Following advice of our reviewers. Because the review process tries to match the best scholars with the projects that represent the most genuine and significant needs, the review process is very, very elaborate and specialized. It includes, in addition to the panels, the use of close to 9,000 individual reviewers of proposals, so when a panel gets a proposal in the research review process, it also gets six or eight reviews written by individuals who look at that proposal in isolation.

Mr. YATES. You have readers?

Mr. EKMAN. Yes, readers. So, in that effort, we look for people who are as close to the specialized topic of the proposal itself as we can. Whereas in the panels, we are more broad gauged and look for a panel on the discipline of history, involving all kinds of literature.

Mr. YATES. Are you doing any research on the Constitution?

Mr. EKMAN. Quite a lot.

Mr. YATES. Is there concentration on American humanities, or is that too provincial?

Mr. AGRESTO. We don't—aside from the "Understanding America" initative—we don't have anything directly on that.

RATINGS FOR RESEARCH PROJECTS

Mr. YATES. Are you getting enough money on your project?

Mr. EKMAN. I think so.

Mr. YATES. Do you have a rating system also?

Mr. EKMAN. Yes. As you heard earlier today, we are funding all the excellent rated proposals and a number of the very goods as well.

Mr. YATES. How many of the very goods?

Mr. EKMAN. I would say throughout the division, about two-thirds of the very-good rated proposals.

Mr. YATES. It is too bad you couldn't fund all the very goods.

Mr. EKMAN. It would be nice. It is not necessary. We feel like we are providing the critical mass to keep some of these projects going.

Mr. YATES. I don't know I would call it a mass. At any rate, this is the fruit of the research?

Mr. EKMAN. That is right. We make about 300 grants a year, we also can take additional credit for some 200 plus books that appear each year as a result of grants made in previous years.

Mr. YATES. Really? Give us examples of that.

Mr. EKMAN. I can give you a list of the books that did appear in the last year that were the results of grants made in previous years.

POLICY ON INCOME GENERATED BY RESEARCH PROJECTS

Mr. YATES. Any books that made money?

Mr. EKMAN. A few. From the publicity we have seen on the Robert Bellah book, it looks as though it is going to make some money.

Mr. YATES. Which is that?

Mr. EKMAN. "Habits of the Heart."

Mr. YATES. That is good. Tell me what happens if he makes a lot of money, if he sells the movie rights.

Mr. EKMAN. We were hoping to sell the movie rights to the Sumerian Dictionary.

The procedure is to include a clause that allows a certain percentage of the royalties to be returned to the U.S. Treasury. It is not used in every case.

Mr. YATES. It is only fair, isn't it?

Mr. EKMAN. Yes.

Mr. YATES. All right.

Anything else we ought to talk about?

Mr. EKMAN. I should mention——

BUDGET ALLOCATION FOR RESEARCH PROGRAMS

Mr. YATES. Are you losing money in this new budget?

Mr. EKMAN. The proposed figure for 1987 is a little smaller than the post-Gramm-Rudman figure, but not much.

Mr. YATES. Will that cut back on the number of grants you can make?

Mr. EKMAN. A few, but not significantly. Our guess is, we expect by the end of 1987 with what we know now, we might make 305 grants.

Mr. YATES. Here you and I sit, Ms. Griest came to the desk, she hasn't been as vociferous in protecting her budget as you and Mr. Gibson have been, and I keep thinking about the various goods that aren't funded and the hopes and dreams that go into them. When I ask you how many do you lose, you say "not very many." I keep thinking of the lost opportunities we have. You wouldn't go that far, would you?

Mr. CHERRINGTON. Actually, one thing we have done is research——

Mr. YATES. If your research produces books that have some value—and I think you will agree some of these at least have value—why shouldn't we be funding the very goods? We should be, shouldn't we?

Mr. EKMAN. Some of them certainly. We follow the lead of panels, and panels not only rate the proposals but put them in a rank order of importance and significance.

Mr. YATES. Would your panels say you shouldn't be funding the very goods?

Mr. EKMAN. I don't know.

Mr. YATES. Has anybody ever asked any member of the panel that question?

Mr. AGRESTO. I imagine it would be different responses from different panels.

Mr. YATES. I am sure you would. Why don't you ask them that? Tell them the committee would like to know. When is the next panel meeting?

Mr. AGRESTO. We have panels meeting almost every week.

Mr. KINGSTON. There is one today.

Mr. EKMAN. I have one on Monday.

Mr. YATES. Why don't you ask them?

Mr. AGRESTO. Don't forget very good is a wide range. It goes from excellent to "so-so."

Mr. YATES. That is not right, you can't have very good going to "so-so."

Mr. KINGSTON. To good.

Mr. Agresto. I am perfectly content we are funding all the excellents and a healthy number of the very goods.

Mr. Yates. I know, I am looking at the entire country, not at your relationship with OMB.

Mr. Agresto. I wasn't thinking of that either.

USE OF MATCHING FUNDS IN RESEARCH PROGRAMS

Mr. Ekman. One of the encouraging things is the way in which the matching funds program has been utilized over the years. It is the leader among the divisions in the use of that kind of funding, and that surprises me in some ways since the projects are so often specialized and esoteric. I guess the funders recognize quality whether in the public or private sector.

So the typical grant now has a mixture of funding that represents a higher reliance on third-party private-sector funding than might have been the case a few years ago. We think that is a healthy development, and we would like to encourage that. We don't think the Endowment should give permanent funding to some of these long-term projects, but we ought to be weaning some of the projects and bringing some of the private-sector supporters in.

Mr. Yates. You get help from foundations?

Mr. Ekman. We get a lot of help from foundations and individuals and corporations. The pattern differs from category to category. These editions of the papers of famous individuals attract the attention of the big foundations. But some of the translations projects aren't of so much interest to the big foundations as they are to the ethnic societies or foreign governments that have interest in these things.

Mr. Yates. Where is that dictionary? Popol Vuh?

Mr. Ekman. That was a small grant, I don't think there was a matching grant involved. There was another grant last year on the Centaurus-Mexicanos, which is the ancient Aztec version of the story of the origins of the universe. That project has acquired active support from the Mexican Government.

Mr. Yates. Where are the Mayans? The Mayans are missing?

Mr. Ekman. They are a little farther south, Guatemala and Central America.

Mr. Yates. Why would Simon choose to publish this? Can it get its money back?

Mr. Ekman. The typical scholarly book is printed in fewer than 1,000 copies. Any book that sells more than that in the scholarly world is considered a success. Almost all of the reputable commercial publishing houses feel it is part of their professional responsibility to publish a few books. It is my guess, because the preparation of the manuscript was subvened by the Endowment, Simon & Schuster didn't have any costs in bringing it into print.

Mr. Yates. Nothing to lose?

Mr. Ekman. Relatively little.

Mr. Agresto. For the sake of the record, the amount we are asking for in the Research Division is slightly higher than the post-Gramm-Rudman amount we had. There is no cut.

Mr. Yates. As opposed to Mr. Gibson's?

Mr. **Agresto**. Mr. Gibson's is a cut.

Mr. **Yates**. Even though his is dynamic and vibrant.

Mr. **Agresto**. Absolutely.

Mr. **Yates**. Thank you.

Mr. **Ekman**. Would you like this book list?

Mr. **Yates**. Sure, I would. You have a lot of books.

Mr. **Ekman**. Two-hundred-thirty books, which amount to 22 shelf feet in the division's offices.

Mr. **Yates**. This is an interesting book, "When Russians Learn To Read." After listening to Mr. Agresto, we should have had one on "When Americans Learn To Read."

DIVISION OF EDUCATION PROGRAMS

All right. We next have Ms. Menke in Education. You are in the Division of Education, you heard Mr. Agresto this morning. What are you doing to correct it?

Ms. **Menke**. Paying a great deal of attention to Mr. Agresto.

The Division of Education programs is actively engaged at a number of levels with teachers and faculty, and that is primarily how we correct it.

Mr. **Yates**. Good for you. All right. Have you been telling them of their sense of omission and commission?

Ms. **Menke**. No, we have been helping them become more actively engaged in their subject matter and in ways to transmit that back to their students.

Mr. **Yates**. How well are you doing?

Ms. **Menke**. Extremely well.

Mr. **Yates**. Have you been cut this year? You are doing so well, Mr. Agresto gives you less money.

Ms. **Menke**. We are in the fortunate position of being able to fund all applications rated both "excellent" and "very good."

Mr. **Yates**. How many do you have in both those categories?

Ms. **Menke**. For what year, sir?

Mr. **Yates**. 1985 is the most recent.

Ms. **Menke**. Approximately 117 applications received high ratings.

Mr. **Yates**. You funded them all?

Ms. **Menke**. Yes.

Mr. **Yates**. Any statistics on 1986 yet?

Ms. **Menke**. We have approximately 61 of 210 applications rated at the high levels.

Mr. **Yates**. So I take it none of your applications get ratings of good, but only excellent and very good.

Ms. **Menke**. That is right.

Mr. **Yates**. Isn't that amazing? Why is that? Why does your category get all the high ratings, and Ms. Griest's and Mr. Gibson's and Mr. Ekman's don't? Do you have superior people applying to yours?

Ms. **Menke**. Perhaps it is the amount of staff work available in the Division of Education which may vary slightly from the Divisions of Research and Fellowships.

Mr. **Yates**. Does that mean we ought to provide funds for greater staffs for them?

Ms. **Menke**. No, I would suggest that a level of success in our division suggests the kind of complex grants we deal with. I would suspect the kinds of funding activities they are dealing with do not require the same sort of staff——

Mr. **Yates**. In other words, you have superior staff?

Ms. **Menke**. No, sir, we are dealing primarily with institutional proposals, and——

Mr. **Yates**. Your applicants are superior?

Ms. **Menke**. I don't know that they are superior.

Mr. **Yates**. All right. Do you have enough money for next year?

Ms. **Menke**. Yes, I think we have sufficient money for next year.

Mr. **Yates**. Well-trained.

You fund all your applications?

Ms. **Menke**. We fund all those who receive high ratings.

Mr. **Yates**. How many applications do you receive?

Ms. **Menke**. For the last fiscal year, fiscal year 1985, we received 427, approximately.

Mr. **Yates**. How many did you fund?

Ms. **Menke**. One-hundred-thirty-nine.

Mr. **Yates**. That is what, about a third?

Ms. **Menke**. Approximately.

Mr. **Yates**. And none of the others?

Ms. **Menke**. All of the others were well intended.

Mr. **Yates**. That is true of all of them. I don't suppose there is a bomb in any of them. Have you not looked at any of them and said "My goodness, they should be funded?"

Ms. **Menke**. We certainly have looked at all of them.

QUALITY OF APPLICATIONS IN THE DIVISION OF EDUCATION

Mr. **Yates**. Your applicants are all superior. Now they are all institutions I thought I understood you to say before. If that is true, don't the very good institutions submit at least very good applications?

Ms. **Menke**. They submit very good applications, and they receive funding for their very good applications.

Mr. **Yates**. You only fund a third of them. Does that mean the rest of the two-thirds shouldn't be funded?

Ms. **Menke**. It means those are not viewed by the panels as being——

Mr. **Yates**. As good as the others?

Ms. **Menke**. That is right.

Mr. **Yates**. What is your view? Do you ever compare them?

Ms. **Menke**. I have been there a reasonably short period of time. I think the panels are incredibly perceptive and reasonably accurate.

Mr. **Yates**. What does the term "reasonably" mean in that context? They do a fairly good job? You mean in their grading, is that what you mean by "reasonably accurate"? Or in picking the right ones?

Ms. **Menke**. I believe in terms of their comments and their insights in reviewing the proposals, both their written comments and their comments during panel discussions.

Mr. **Yates**. Do the panels ever say they wished they had more money so they could fund some of those they have to reject?

Ms. **Menke**. No. At least the two panels I have seen operate have not said that.

Mr. **Yates**. Do your panels know that when they rate an application very good, that that application may or may not get funded? In your case, it will get funded, won't it?

Ms. **Menke**. That depends on the volume of applications and the number of applications rated at the various levels. In our case for the past two fiscal years, that has meant they will be funded.

Mr. **Yates**. I am trying to picture myself as a panelist, I assume the panelists know the history of approval to some degree. And here you give me the book, and I look at the book, with all the applications on it, and I see some that are better than others, but some that I have to classify as good because I can't classify them all as very good, or can I? Can I say they are all very good?

Ms. **Menke**. Yes.

Mr. **Yates**. I can. Yes, I suppose so, because some of the very goods still won't be funded, will they?

Ms. **Menke**. It would depend, in our case for the past two fiscal years, we have not had that problem.

Mr. **Agresto**. We don't talk to the panelists about money; we ask them to tell us what the quality of the applications are. We don't say, "We have this much money, let's see if we can spend it." We ask them to judge the quality of an application.

Mr. **Yates**. What about the missed opportunities, John?

Mr. **Agresto**. I think it is our job to be national leaders and fund those things that could be models and exemplary projects for the rest of the country. It is not our job to fund every good idea.

Mr. **Yates**. Is it your function to fund every very good idea?

Mr. **Agresto**. I don't know. I don't know.

Mr. **Yates**. That is what I am asking you.

Mr. **Agresto**. I don't think it is our function to fund every very good idea.

Mr. **Yates**. Why not? Why is it our function to fund some very good ones and not others?

Mr. **Agresto**. In fact, many of the very good ones we reject we do a favor to. They can come back with a slightly different application and more refined and become excellent. One of the good things we do is reject proposals.

Mr. **Yates**. If you had submitted some of the very goods to another panel, they would——

Mr. **Agresto**. It is not an exact science, no one knows.

Mr. **Yates**. You don't have any goodies to give us, do you?

Mr. **Kingston**. No curricula?

Ms. **Menke**. No.

Mr. **Yates**. Thank you very much.

INSTITUTIONAL COST-SHARING IN THE EDUCATION DIVISION

Wait a minute, one question, don't go away. What does this mean when it says in your justification, on page 21:

> Under the Institutes for Teachers and Administrators category, the division encourages efforts to bring together teachers and administrators for a period of inten-

sive summer study, usually anchored in important ideas and texts in the humanities.

You wind up with the last sentence, which reads, "As an indication of their commitment to the project, individual schools are required to share the participation costs of their representatives." What does that mean?

Ms. **Menke**. We ask that the participants and teachers coming from specific institutions and schools, that the school bear a very small portion of the attendance fee, approximately $200 to $300 per teacher, which suggests that the teacher's experience—well, which suggests that the school, itself, is in some way engaged in supporting the teacher in that study experience.

Mr. **Yates**. Suppose the teachers come from cities like the City of Chicago, which is fairly broke as far as its education program is concerned? They can't raise that money. Does that mean they are precluded from coming?

Ms. **Menke**. We have not had experience with participants being unable to gain the support of their individual schools, because the amount is so modest and because the nature of the institutes, themselves, is to prepare materials and subject matter, materials based on subject matter which the teachers will bring back into the schools. It is not a case of independent study.

Mr. **Yates**. Do you require the payment in every instance before you approve the application?

Ms. **Menke**. I don't know the response in terms of the policy for payment.

Mr. **Yates**. Mr. Ekman.

Mr. **Ekman**. Experience has shown this experience works best. A school who sends a teacher feels they have a stake in the initiative. Token cost sharing, as little as a general token, $50——

Mr. **Yates**. I thought she said $300.

Mr. **Ekman**. It depends on the nature of the enterprise.

Mr. **Yates**. Three-hundred dollars can mean a lot to a particular school district. So teachers are being barred even though it has a stake in it. Why do you need it? You say experience shows if they have a stake in the teaching, they will do it. That doesn't necessarily follow, does it? If that is just a token payment, you don't need a token payment.

Mr. **Kingston**. We want to draw a distinction between the institutes and seminars. In seminars, there is no commitment fee at all, anybody could apply. Certainly a teacher from Chicago with no development funds available would have difficulty going to a institute. They are usually designed along collaborative lines among institutions in such a way that unless the school system is committed to whatever curricular project is being developed, there is not likely to be much chance of success for the teachers coming from the institute. That very modest cost commitment is simply a gesture, a way of demonstrating the school system, itself, is committed to seeing something happens as a result of——

Mr. **Yates**. Do you have any indications where the teachers haven't been able to get the necessary, but modest sum in order to come to your——

Mr. **Kingston**. Not that we know of. Because usually the school systems would have been involved in planning.

Ms. **Menke**. That is right.

Mr. **Yates**. This is not a factor?

Ms. **Menke**. Not that we are aware of.

Mr. **Yates**. Could you find out?

Mr. **Kingston**. We will look into that question, sure.

Mr. **Yates**. Thank you, Ms. Menke.

Ms. Berlincourt. You are with the State Programs.

Ms. **Berlincourt**. That is right.

DIVISION OF THE STATE PROGRAMS

Mr. **Yates**. You are really a national person, aren't you?

Tell us about your progress and your problems.

Ms. **Berlincourt**. As you know, the Division of State Programs differs from the other divisions of NEH in that we provide ongoing support for the state humanities councils, which in turn initiate programs for the public in their states and conduct competitions for locally initiated applications.

There are 1,100 local representatives serving on the committees—half academic, half public and this is the 15th anniversary for the state programs, and I think it is demonstrating it is accomplishing what it was intended to do. The councils are at different stages of maturity. A number of councils celebrated their tenth anniversary this year, the D.C. Council is six years old, the Virgin Islands has just completed its first biennium. The councils support about as many projects as the Endowment itself, but these are very small projects, by and large.

So one way I try to look at them is significant trends, the kinds of programs that the councils are supporting. They have had great success with reading and discussion programs in all parts of the country. I have here a program that Alabama has supported for the second year. Last year they did a program on Shakespeare, this year on "Utopia in America".

Mr. **Yates**. Oh, Alabama.

Ms. **Berlincourt**. And this particular program combines a number of aspects that typify state council programs. It has a reading and discussion program. It began with a lecture by Paul Gaston from the University of Virginia on the Fair Hope Community and has a traveling component that will accompany the regional programs in the various libraries throughout Alabama. So that kind of program is very typical.

Since 1980, the state councils have been very active in education projects. They see themselves as a bridge between schools and the colleges and all kinds of education projects, seminars and institutes for teachers or high school principals, curricular materials, traveling exhibits, residents in schools.

FUNDING FOR STATE PROGRAMS

Mr. **Yates**. That sounds very good. Do you have enough money to operate for the next year in the budget?

Ms. **Berlincourt**. The state councils will continue to do important work in the humanities for their states, and at the request level, the original allocation in treasury funds will be higher for State Programs than it has been in the past.

Mr. YATES. Your budget is being reduced by 21 percent for the next year.

Ms. BERLINCOURT. Before Gramm-Rudman.

Mr. YATES. After Gramm-Rudman, what is the percentage?

Mr. CHERRINGTON. 17.5 percent.

Mr. YATES. Thank you very much.

OFFICE OF PRESERVATION

All right, Mr. Cannon. Is anyone here for Mr. Cannon's office?

Mr. KINGSTON. I will be happy to speak for that office. Mr. Field is back there.

Mr. YATES. You are taking away Mr. Field's opportunity to come to the table.

Mr. AGRESTO. Jeff.

Mr. FIELD. I can't miss this opportunity.

Mr. YATES. Of course. Do you want to talk, Mr. Kingston?

Mr. KINGSTON. Why don't you go ahead.

Mr. YATES. Go ahead, Jeff, tell us what Mr. Cannon would tell us in his absence.

Mr. FIELD. I sometimes do try to affect Harold's accent.

Mr. YATES. You do very well.

Mr. FIELD. Thank you very much. We think we have a jolly good program here. In all seriousness——

Mr. YATES. My memory is, it is a pretty good program.

Mr. FIELD. It is a new program. This is actually the first year of a separate budget for the Office of Preservation.

Mr. YATES. What did Mr. Cannon have last year?

Mr. FIELD. We were formed in 1985. We distributed our guidelines during 1985 and held our first review cycle in November of 1985. So that would be the first cycle for fiscal year 1986. We have just made several grants, and we are coming to the May Council with the final cycle in our fiscal year 1986.

OBJECTIVES OF NEH PRESERVATION PROGRAM

Mr. YATES. What do you deal with? What is the nature of your operation, preservation?

Mr. FIELD. Our goal is really two-fold, preserving resources for research in the humanities and, in the long run, to provide a capacity to many different kinds of institutions to address preservation problems on their own. For example, we feel one of the greatest needs over the next several years in the field of preservation is for trained preservation administrators. We distinguish these people from the conservators who actually handle individual objects. The Nation needs persons who can manage a preservation program for an entire research institution. This would encompass preservation microfilming, binding of books, storage of books, and insuring that the entire library environment and operation insures the most effective preservation of the books and other materials in that research institution.

Mr. YATES. Do you make grants to institutions for the preservation of its books?

Mr. FIELD. Yes, we do.

Mr. **Kingston**. I think, Jeff, you want to distinguish between conservation and preservation. Preservation has to do with maintaining the information that is in those books, conservation has to do with protecting a particular artifact.

Mr. **Yates**. Which do you do?

Mr. **Kingston**. Principally preservation.

Mr. **Yates**. Is there a new process on this microfilming?

Mr. **Field**. Optical digital disc technology, which the Library of Congress is experimenting on. We do not feel, nor do the Library of Congress or other agencies such as the National Archives, optical discs at present offer a good preservation medium. We think the life of the disc may be ten years. With adequate storage facilities, tests have shown that the life of a roll of microfilm can be up to 500 years. Until the Library of Congress and other agencies decide that they are comfortable with optical digital disc technology as a preservation technology, we will not fund projects to put information onto discs.

Mr. **Yates**. How badly are you treated this year?

Mr. **Field**. As a matter of fact, we are treated quite well. We have a slight increase in our funding over fiscal year 1985, going from a level of $3.8 million, taking Gramm-Rudman into account, up to a request level of $4.0 million. We feel it is entirely adequate to fund all of the highly rated projects that we anticipate receiving.

Mr. **Yates**. How many do you anticipate receiving?

Mr. **Field**. We will probably receive from 60 to 70 proposals. We expect funding from 18 to 20 of those.

Mr. **Yates**. Where do you get your proposals?

Mr. **Field**. Libraries, regional consortia, preservation organizations, and we also support the United States Newspaper Program projects. Those applications may come from a state archives, a state library, a state university, or other similar organizations.

Mr. **Yates**. That is preservation. Do you deal with conservation?

Mr. **Field**. Only in very limited instances. For example, a large project involving a small amount of restoration of the physical item may receive support. But those are very rare, and I can't say that we funded any of those projects so far. They are eligible if, in fact, the applicant can demonstrate that the research importance of that document depends on preserving it in its original form. But, as Mr. Kingston pointed out, we feel that we serve researchers best by providing information.

Mr. **Yates**. Are we moving quickly enough to preserve valuable books?

Mr. **Field**. I think we are moving as quickly as possible. As I say, I think the greatest need over the next several years is to produce trained administrators——

Mr. **Yates**. What happens to the valuable books and papers while you are training them?

Mr. **Field**. They are obviously deteriorating. The Library of Congress has come out with a figure of some 70,000 volumes per year. This is based on a sample of 14 million volumes, or the section of the library contained 14 million volumes they did the sample on. Some 77,000 books go from being in poor condition to brittle condition, a condition so weak that if you start turning the pages, you begin to crumble them.

We don't feel that it is possible at present to devise rational programs for institutions without the trained personnel. We think that will take us another several years to get those people in place. In the meantime, however, we are supporting several national cooperative preservation microfilming programs involving eight to 10 research institutions around the country who have cooperatively agreed to preserve items based on the strengths of the individual library collections in order not to duplicate their efforts. We think that will preserve a significant portion of the titles in that endangered period.

Mr. YATES. Do you want to put in the record examples of collections that have been lost or collections you believe to be in precarious position?

Mr. FIELD. I can provide information for the record.

[The information follows:]

EXAMPLES OF ENDANGERED COLLECTIONS

Three research libraries have recently conducted surveys of their collections. Yale University Library staff have calculated that 44.7 percent of the books in Sterling Library (the main humanities library) are embrittled. The Library of Congress has estimated that approximately 77,000 of its volumes become embrittled each year. At the New York Public Library, a survey of the World War I and World War II Collections found that 71 percent of the book paper in their collections were embrittled.

These figures are disheartening, but again, preservation programs do not intend to save everything and are predicated upon selectivity.

Mr. YATES. If there are additional funds, could you save those——

Mr. FIELD. We don't have the capacity yet in terms of the amount of personnel and equipment you would need to enhance current microfilming programs.

Mr. KINGSTON. I think one of the reasons for establishing a separate Office of Preservation was to call attention to—to enroll the larger academic community in the preservation problem which seems largely ignorant of the need, in addition to the archival community——

Mr. YATES. How many applications did you get last year?

Mr. FIELD. About 60.

Mr. KINGSTON. We have joined in a partnership with the Library of Congress and the Council on Library Resources to develop a film on preservation which we think has a splendid educational purpose.

Mr. FIELD. We can make you a star.

Mr. YATES. Thank you very much.

FUNDING FOR THE OFFICE OF CHALLENGE GRANTS

Mr. Blessing, do you have enough money for challenge grants?

Mr. BLESSING. Yes, we do.

Mr. YATES. Did you have to turn down any challenge grants because you didn't have enough money?

Mr. BLESSING. No. The ones we turned down I think were the ones we wanted to turn down. I think the appropriation we requested for this year reflected our sense of what the application quality would sustain; I think it came out about right.

Mr. **Yates**. Okay. What do you want to tell us about the challenge grants program? Is it working very well?

Mr. **Blessing**. Yes. We are going along the same as ever. There haven't been any major developments. We are continuing to support institutions of all kinds working in the humanities to strengthen their activities and improve the quality of what they are doing through long-term support rather than specific projects, and to help them through the leverage of the challenge grant to raise additional funds from non-Federal sources, additional funds for the humanities.

Mr. **Yates**. Anything you want to tell us that we should know?

Mr. **Blessing**. Not really. As I say, there are no major developments to report.

Mr. **Yates**. All right. Thank you very much.

There will be questions for the record we will ask you to furnish answers to.

We thank you very much. I think the hearing has been a very good one. Whether you are getting enough money for the things you want to do and ought to do, that is something we will take up with our committee, and we thank you very much.

[Whereupon, at 2:50 p.m., the subcommittee was adjourned subject to the call of the chair.]

[Questions and answers submitted for the record follow:]

REAUTHORIZATION AND AMENDMENTS

Question: A new authorization, with amendments to the existing law, was enacted in December, 1985. How does the new legislation impact your budget request?

Answer: The new legislation does not affect the request for program funds. However, the agency's administrative budget must fund the special studies and data-collection activities mandated by this legislation.

In FY 1987 we have included an additional $70,000 in the Humanities Studies program, included in our administrative budget, to conduct the mandated activities. We estimate approximately one to two FTEs will be devoted to this effort in FY 1987.

Question: The legislation expands the definition of "humanities" to include not only the study but also the "interpretation" of a variety of disciplines. It also now states that there should be "particular attention to reflecting our diverse heritage, traditions, and history..." What have you done to accommodate the new language which requires you to reflect our diverse heritage, traditions and history?

Answer: As we pointed out during the reauthorization process, the Endowment has an excellent track record of supporting projects from all disciplines and fields of scholarship of the humanities. A reading of our Annual Report each year will show a wide variety of grants that "reflect our diverse heritage, traditions, and history."

In response to the new language of our legislation, however, the Chairman announced at the House Appropriations Subcommittee hearing on the FY 1987 budget request that the Endowment is now in the preliminary stages of developing programming, to be called "Access to Excellence," aimed at the groups characterized as "underrepresented" in the humanities in the reauthorization legislation.

This emphasis will be centered in the agency's Division of Education Programs and will include such things as funding teacher institutes aimed at inner city schools and starting gifted and talented programs at schools in rural areas and tribal communities. We are planning to have a full-time staff coordinator at the Endowment to monitor these activities and to promote them throughout the nation. We will also keep the individual state humanities councils fully informed of our activities in this area.

Other activities may include developing new reading programs in the humanities in rural libraries and for recent immigrants to America in our inner cities. We may also begin supporting model humanities programming in schools and colleges such as the recent curricular changes at Brooklyn College. In all, we hope to serve the "underrepresented" in the best way possible, by giving them increased access to the best the humanities can offer.

Question: How do you plan to comply with Section 956(c)(5) which authorizes the NEH to "foster international programs and exchanges"?

Answer: The Endowment is already in compliance with this new authorization language. The agency has been quite active in this area for a number of years. In our Division of Research Programs, for example, the International Research program is devoted exclusively to "international programs and exchanges" through grants to national scholarly societies such as the International Research and Exchanges Board, the American Council of Learned Societies, the Committee on Scholarly Communication with the People's Republic of China, and the Social Science Research Council. These grantees use NEH funding to support basic research in the humanities by American scholars in Eastern Europe, the Soviet Union, and the People's Republic of China.

Other current NEH programming which is already responsive to the new charge in our authorization includes the Translations program in the Division of Research Programs and the programs of the Division of Education Programs which support a number of projects each year in schools and colleges to upgrade foreign language programs.

In addition, recent policies of the Endowment have expanded the agency's involvement in the area of international and area studies. In October 1985, NEH launched a major new initiative, "Understanding Other Nations," to encourage schools and colleges to improve the foreign language abilities of their students. And the agency is currently revising the guidelines for its popular Travel to Collections program to increase the stipend and to permit American scholars to travel to any part of the world to consult resource materials vital to their research.

Question: What are you doing to develop a practical system of national information and data collection on the humanities, scholars, educational and cultural groups, and their audiences? When would you expect to be ready to implement such a data collection system? What would you think such a system will cost?

Answer: We are now assessing the range of data currently available to support this undertaking. This assessment must precede the creation of new data collection instruments. Included among the data sources we are examining are:

- -- The National Research Council's files on the Ph.D. population;
- -- Center for Statistics' data on humanities education at all levels of schooling;
- -- Higher Education Surveys data on humanities faculty, humanities enrollments, and degree requirements;

-- disciplinary associations' information on specific humanities subjects (e.g., the MLA's NEH-supported files on foreign language enrollments, faculty openings, and degree production);

-- museum, media, and library data on the audiences for humanities programming; and

-- information from cultural organizations concerning their humanities activities.

Following the completion of this assessment we will determine where there are gaps in the data and how we propose to fill those gaps. A plan will be available for Congressional consideration by this fall, at which time we can better estimate how much the proposed system will cost.

Question: What additional workload will the provision in the law requiring post-award evaluation of projects, productions, and programs require?

Answer: There will be no additional workload required to carryout this provision of the legislation. The Endowment has had in place for many years an effective post-award evaluation system that meets the requirements described in the new authorization language. This includes requiring grantees to submit final narrative and expenditures reports concerning their projects and forwarding to the Endowment, where practical, a copy of the project, production, or program funded with NEH support. The agency also has in place auditing procedures for determining the veracity of these reports.

Question: How will this differ from what you currently do?

Answer: The Endowment does not anticipate making changes in its current post-award evaluation system since our present procedures already comply with the new authorization language.

Question: To what extent will the provision emphasizing panel diversity, and limiting the number of consecutive terms a panelist may serve on a given panel, change the way in which your panel system operates?

Answer: The Endowment's current panel system already provides a broad spectrum of geographical and culturally diverse representation while maintaining a high standard of objective peer review of applications for grant support. In FY 1984, for example, individuals from 49 states and the District of Columbia served on NEH review panels. A survey conducted in the same year showed that the proportions of Endowment panelists who were Asian-American, Black, Native American, or female were equal to or exceeded their proportions in the humanities Ph.D. labor force.

The Endowment is also in compliance with the new legislative language regarding the tenure of service of panelists. Since all NEH panels are ad hoc and meet only to consider a discrete body of applications, panel composition is continually changing from program-to-program and year-to-year.

Be assured that NEH selects, and will try to continue to select, only the most qualified experts to serve on its panels.

FILLING OF SES VACANCIES

Question: Early this year, the NEH moved to fill vacancies in several SES positions. The positions included: General Counsel, Assistant Chairman for Programs, Director of General Programs, Director of Administration, and Director of Planning and Budget. The Committee received a copy of a note signed "Concerned NEH Staffers" in which certain claims are made. The note indicates that "politicalization of NEH has by now overcome a number of areas of the agency...It is ironic that those who last week called for austerity at NEH because of GRH, this week are poised to reap the benefits of an SES windfall. These positions, along with that of the NEH General Counsel, now appear to be political slots. Staff frustrations run very high." Have you in fact filled all of the SES vacancies at this point?

Answer: Yes.

Question: In each case, was the person who was serving in an acting capacity, selected as the person to fill each of the jobs?

Answer: Four of the five positions were filled by people who were either serving in those positions in an acting capacity or who held the position at a lower grade. Mr. Gibson, Director of General Programs, was raised to SES. He has been with the Endowment for 9 years. Mr. Cherrington, Director of Planning and Budget, was raised to SES. He has been with the Endowment for 12 years.

Mr. Kingston, who has been Acting Assistant Chairman for Programs for the past year (and before that Director of the Fellowship Division and, before that, Director of Challenge Grants), was made SES. Mrs. Metts, who has been both Acting Director of Administration and Director of Public Affairs, was given the position of Director of Administration. She will continue as Acting Director of Public Affairs awaiting the arrival of a new Chairman.

The fifth position, General Counsel, is a Schedule C SES position, filled by a recent Assistant General Counsel to the President and former clerk for Judge Roger Robb, Mr. Hugh Hewitt.

Question: Did you receive a large number of applications for each of these jobs?

Answer: These positions were announced nationally for periods ranging from two to four weeks. The positions, the number of applications received, and the national announcement periods were as follows:

Position	# Applicants	National Vacancy Announcement Period
Director of Administration	23	2 wks.
Director of General Programs	3	4 wks.
Assistant Chairman for Programs	5	4 wks.
Director, Office of Planning and Budget	5	2 wks.

Question: Were these applications restricted to staff within NEH or were they received from a much broader pool of applicants?

Answer: The area of consideration for receiving applications for the SES positions went beyond NEH staff. The Office of Personnel Management used its national network that reaches all federal agencies, Federal Job Information Centers, and State Employment Agencies.

Question: Did you consider waiting for a new Chairperson before moving to fill these vacancies?

Answer: The positions were initially going to be announced while William J. Bennett was still Chairman of NEH. Their posting was withdrawn by OPM when Mr. Bennett left in February 1985 to become Secretary of Education over 15 months ago, in order to await action by the next chairman. When Edward Curran's nomination to head NEH was not approved in November 1985, a decision to go ahead with posting the positions was made because of the uncertain timing of another nomination for chairman and the need to restore stability to key executive positions in the agency.

Question: Are you personally satisfied that these positions were filled on the basis of merit and not political considerations?

Answer: Absolutely.

PRESERVATION OF HUMANITIES RESEARCH RESOURCES

Question: The budget justification at page 6, indicates that the Endowment will continue its emphasis on the preservation of humanities resources. It also states: "Involving the private sector in this enterprise is a major priority of the office." How do you plan to involve the private sector in the preservation of humanities research resources?

Answer: Most of the projects supported through the Office of Preservation carry matching offers, that is, the Endowment offers to match on up to a one-to-one basis third party contributions to grantees. The preservation projects the agency has supported in past years, especially in the U.S. Newspapers program, have proven to be successful fund-raisers. We will encourage more of this activity to forge links between preservationists and non-federal contributors.

Question: What incentive is there for the private sector to be involved in the preservation of humanities research resources?

Answer: Preventing further deterioration of vital humanities research resources and salvaging what is already at risk are national problems. Corporations, foundations, and other major funding sources understand that the type of projects supported by the Endowment are in the national interest. But preservation is also of compelling regional and local interest as important indigenous materials slip into danger. This should also provide other donors with an incentive to contribute to preservation projects.

HUMANITIES INSTRUCTION IN ELEMENTARY AND SECONDARY SCHOOLS

Question: There is a request of $5,300,000 for humanities instruction in elementary and secondary schools. The principal objective is to support teacher training activities. (p. 21) Under the Institutes for Teachers and Administrators category, the division encourages efforts to bring together teachers and administrators for a period of intensive study. Individual schools are required to share the participation costs of their representatives. To what extent does the requirement that individual schools share in the costs of sending their teachers limit involvement in the program? Wouldn't this have the effect of precluding teachers from poorer school districts from participating in the program?

Answer: In no case has a teacher been denied the opportunity to participate in an Endowment-sponsored institute because of the cost-sharing requirement. As a means of assuring the commitment to the project of the institutions involved -- the university or college where the activity is to take place and the schools or school system from which the teachers are drawn -- the Endowment requests that these institutions share in the costs of the project. For teacher institutes the requested cost share is 20 percent, and for collaborative projects, 40 percent. In most cases, the college or university assumes the major portion of the cost share. Schools and school systems are asked to make a modest cash contribution of $50 to $200 or to contribute a day or two of released time for their participating teachers.

Institutions that are unable to bear the usual cost share because of financial exigency or some other circumstance are encouraged to negotiate a lower figure. Planning grants and institutes offered as part of the Historically Black Colleges and Universities Initiative carry no cost-sharing requirement.

Question: What is the geographic mix of participants? How does this correspond to the population mix?

Answer: We do not keep systematic data on the geographic distribution of participants. However, each year Endowment-sponsored teacher training activities take place throughout the country. In FY 1985, for example, the Elementary and Secondary program awarded 62 grants in 32 states.

The participants in these projects are even more broadly distributed. Although many Endowment-sponsored institutes attract teachers primarily from within a single state, others draw participants from a several-state region, or from across the nation.

Question: What is the mix between participants from private schools and public schools? Is this mix proportionate to the ratio of public school to private school enrollment?

Answer: Yes, participants roughly reflect the ratio of public to private enrollments. We have recently begun to collect data on the institutional affiliation of participants. What we have so far suggests that about 85 percent of our participants are coming from public schools and 15 percent from private institutions. National enrollment figures show that 88 percent of elementary and secondary students are in public schools and 12 percent in private schools.

FELLOWSHIPS AND SEMINARS

Question: On page 27, you indicate that the Andrew W. Mellon Foundation awarded grants to the Endowment to fund additional Summer Seminars for Secondary School Teachers in both 1984 and 1985. Has the Mellon Foundation continued its support beyond these two years?

Answer: No, the Mellon Foundation's support was limited to those two years.

Question: Have you been successful in attracting other non-government support?

Answer: The Mellon gifts have been the only non-federal contributions to this program. However, several states including New York, Virginia, and Delaware have instituted programs at the state level that are modeled on the Endowment's secondary school seminars.

Question: Do the schools of the participating teachers have to contribute to enable their teachers to attend the seminars? If so, what contribution must they make?

Answer: The schools of the seminar participants do not contribute to the cost of their teachers attending the seminars. The Endowment grant to the institution conducting the seminar includes stipends for the participants which cover all necessary costs.

Question: There is a request of $3,250,000 for Fellowships for University Teachers and $3,250,000 for Fellowships for College Teachers and Independent Scholars. In the case of the University Fellowships this represents a decrease and in the case of the College Teachers and Independent Scholars this represents an increase. What is your reason for switching your emphasis from University Teachers to College Teachers and Independent Scholars?

Answer: The revisions in relative allocations for these two programs are the result of changes in the eligibility criteria of the programs rather than any change in emphasis. Beginning with FY 1987, independent scholars will apply to the College Teachers and Independent Scholars program rather than to the University Teachers program. The change in the name of the program to College Teachers and Independent Scholars reflects this modification. Our experience indicates that independent scholars have more in common with college teachers than with university teachers and would be more competitive in this program.

Question: Why do you anticipate an almost 20 percent increase in the number of applications for Fellowships for College Teachers and Independent Scholars? (720 in 1986 to 860 in 1987)

Answer: We expect the number of applications to the College Teachers program to increase because in FY 1987 all independent scholars will apply to this program for fellowship support rather than to the University Teachers program.

Question: In at least two categories, Summer Stipends and Travel to Collections, both of which are in the Fellowships and Seminars program, the Endowment has decided to increase the ceiling on the amount awarded to each individual. In the case of summer stipends the increase is from $3,000 to $3,500. For travel to collections, the increase is from $500 to $750. Is this an indication that research associated costs are rising? If so, doesn't that make the argument that additional appropriations could be effectively used?

Answer: The increases in the amount of awards in Summer Stipends and Travel to Collections reflect the rise in faculty salaries and increases in travel and other research expenses. To cover the cost of the higher awards, the Endowment is in fact requesting $60,000 more in FY 1987 for each of these programs over the FY 1986 Gramm-Rudman-Hollings adjusted allocations.

Question: What indications do you have that research costs are increasing?

Answer: Each year the Endowment staff reviews thousands of budgets for proposed projects and talks with thousands more scholars in the field. Our reviews during the past few years have indicated that the costs of humanities research are increasing to a small extent.

Also, because applications to the Summer Stipend program declined by about 14 percent in FY 1985, we asked college and university faculty who did not apply why they had not considered the program. They indicated that one reason was the fact that the amount of the stipend had not kept pace with the costs of pursuing research and writing during the summer months.

Question: Would this be true across the board in each of the Humanities areas?

Answer: Yes, research costs in the other Fellowships programs and in the programs in the Research Division have increased slightly. That is why the requested budget for the Fellowships Division for FY 1987 is higher than the Gramm-Rudman-Hollings adjusted appropriation for FY 1986 and why the amounts of the stipends in the University Teachers and College Teachers and Independent Scholars programs were raised in FY 1986.

In the Research Division, the requested appropriation of definite funds is only a few thousand dollars higher in FY 1987, but the allocation of Treasury funds has been increased considerably during the last few years, partially to compensate for the small increase in the costs of humanities research.

HUMANITIES PROJECTS IN MUSEUMS AND HISTORICAL ORGANIZATIONS

Question: The request for humanities projects in museums and historical organizations is $5,800,000, a decrease of $2,967,000 from the 1986 presequestration level of $8,767,000. On page 45 of the justification is the statement that, "Support will continue for projects related to collections management and conservation." Yet, the April 1986 edition of Aviso reports that "The Museums and Historical Organizations Program at the National Endowment for the Humanities is dropping its separate funding category for conservation." Exactly what are your plans for conservation?

Answer: The Endowment will continue to offer support for the conservation of artifacts and art objects housed in museums and historical societies when such efforts are a component of a larger planning, implementation, or collection sharing project. Formerly, a limited amount of support was offered for projects exclusively concerned with the conservation of objects.

Question: Would you eliminate conservation as a funding item for the grants awarded with the FY 1986 appropriation?

Answer: With the publication of new guidelines in the Humanities Projects in Museums and Historical Societies program in March of 1986, efforts to conserve the collections of these organizations will be eligible for support when they entail the public exhibition of such materials.

HUMANITIES PROJECTS IN MEDIA

Question: The request for humanities projects in media is $7,000,000, a decrease of $1,864,000 from the presequestration level of $8,864,000. On what basis do you place a relatively lower priority on humanities projects in media?

Answer: The amount that the Endowment is requesting for the Media program in FY 1987 is well above what we are requesting for any other NEH grant program and is entirely sufficient to fund all top-rated proposals. The FY 1987 Media request is significantly "lower" only in relation to the current, FY 1986 funding level of $8.5 million in that program. The Endowment asked for $7.6 million for Media in FY 1986; we are requesting $7.0 million for FY 1987. Thus most of the disparity between funding in Media in FY 1986 and the amount we are projecting for that program in FY 1987 is attributable to the appropriation by Congress of more funding for Media in FY 1986 than we requested, not to any shift in NEH priorities.

Nor does the reduction in the Endowment's definite funds request for Media between FY 1986 and FY 1987 mean that we have accorded a lower priority to that program. Again, we are requesting more money for this program than for any other. Moreover, definite funds will not be the only sums available to support Media projects in FY 1987. In recognition of the remarkable success that the programs of the General Programs division have been having in generating private support -- most especially the Media program -- the Endowment is requesting a 54 percent increase in the division's Treasury funds allocation.

Question: The justification indicates that in 1985 "NEH-supported projects provided 61 hours of programming for public television and reached a cumulative audience of 130 million Americans." Isn't this a cost effective way to reach a vast audience with humanities projects?

Answer: It is certainly true that by sponsoring programming for public television the Endowment can reach a vast audience. NEH wants to reach this audience, however, with the best available humanities media programs. The funds requested for fiscal 1987 are sufficient to meet this goal. Let me add that this program may be the best example we have of where the funding of less than excellent products would be totally counterproductive. There is nothing to be gained for the audience, for the humanities, or for NEH and public television by broadcasting less than excellent programs.

HUMANITIES PROJECTS IN LIBRARIES

Question: Once again the Endowment has proposed a large reduction for humanities projects for libraries. From the presequestration level of $2,922,000, the NEH proposes to reduce $1,522,000 which leaves $1,400,000 for libraries. In contrast to the deemphasis reflected in the budget numbers is the written narrative of the justification which relates the critical role of libraries. In view of the fact that there are no other federal nor any non-federal programs that offer support for public education projects in the humanities sponsored by libraries, what rationale do you offer for such a disproportionate reduction to the library program?

Answer: The amount of the Endowment's FY 1987 request for the Humanities Projects in Libraries program again represents a reduction only in comparison with the amount that Congress appropriated for FY 1986. As it happens, our present request is somewhat greater than what we asked for this program last year -- that is, $1.2 million for FY 1986 versus $1.4 million for FY 1987.

The request for fiscal 1987 will easily enable the Endowment to fund all top-rated proposals in the Libraries program. At present, NEH support for public programs in libraries goes well beyond that. In FY 1985, the Endowment funded 100 percent of the proposals submitted to the Libraries program that were given a top rating by a panel and 95 percent of all second-rated proposals. Although public libraries can provide a valuable means of reaching the general public with programs in the humanities, these institutions are not primarily organized for this purpose. The sum that we are requesting for the Libraries program in FY 1987 represents our judgment of what, based on extensive experience with the past few application cycles, the Endowment can prudently spend for the most rewarding and challenging public humanities programs in libraries.

Let me add that the Committee should not assume that our request of $1.4 million for Humanities Projects in Libraries is the full extent of this agency's support for libraries. That is our estimate of what will support the best public programming in a library setting. In FY 1985, grants to libraries made by other programs throughout the Endowment, particularly in the Challenge Grants program and the Research Division, totalled $5.2 million.

GRAMM-RUDMAN REDUCTIONS IN FY 1986

Question: What problems, if any, have you encountered in implementing the Gramm-Rudman reductions?

Answer: Although NEH funding is reduced from the original appropriated level, the Gramm-Rudman-Hollings (GRH) budget is still $6.35 million above the amount requested by NEH for FY 1986 ($126.33 million). Thus, since NEH's plans and priorities were geared to this lower budget level, the agency anticipates no ill effects on the quality of its programming.

The scheduled deadlines for submitting applications to NEH grant programs remain unchanged by the sequestration; none had to be postponed or cancelled.

Question: What has been your general strategy: to reduce the number of grants or to reduce the amount per grant?

Answer: Reductions will be made across-the-board in all appropriated programs and accounts; no programs will be eliminated. Fewer grants will probably be made in some programs; no attempts will be made to reduce the size of individual grants.

Question: How have you taken the 4.3 percent reduction in administration?

Answer: Our administrative expenses were running lower than anticipated before GRH because the position of Chairman has been open for over a year. The salary of this position alone is $73,600. In addition, other related positions have remained vacant longer than usual.

Administrative expenses have been cut whenever possible -- staff travel has been curtailed, contractual services delayed, the costs of supplies and materials reduced. The situation is being monitored closely, and there remains a slim possibility that employees may have to be furloughed in the late summer.

Question: Has Gramm-Rudman created any problems in the operation of your panels?

Answer: The Agency places the highest priority on its review process, and there are no plans to change the operation of the panel process as a result of Gramm-Rudman. Savings will have to be realized elsewhere in the administrative budget.

STATE PROGRAMS

Question: The request for state programs is $16,630,000, a reduction of $4,456,000 from the presequestration level of $21,086,000. Under the authorization, a minimum of 20 percent of program funds must go to the states. The Endowment has chosen to request the minimum amount. Does the fact that you have chosen to provide the minimum amount permitted under the authorization to the States indicate a low regard for State programs? If so, could you tell us what problems you think exist with State programs?

Answer: State Programs is one of the five principal program areas of the Endowment, each of roughly equal importance. Our view is that State Programs should be allocated approximately the same amount of definite funds as these other major program areas, i.e. 1/5 or 20 percent. At our request level State Programs account for the largest single part of our program budget, surpassing what we are asking for in Education, Research, General Programs, etc. Moreover, when treasury funds are taken into account, State Programs receives the highest total funding of any Endowment program division. Such was the case in each of the last three fiscal years.

The state councils support many excellent activities, but the funding ratio of council regrants - 67 percent in FY 1985 -- is considerably higher than the funding ratio for all Endowment programs -- 25 percent in FY 1985. This disparity between the success rate of proposals submitted to the councils and those submitted directly to the Endowment would not be a cause for concern if the quality of council-funded projects were consistently as high as that of NEH-supported projects. Unfortunately, such is not yet the case.

I do not wish to detract from the good work of these programs. But I do not think them so substantially superior to the work we do in General Programs or Research or any other funding area, that I would ask to reduce their percentages and raise State Programs.

Question: To what extent do you think the various state programs mirror the NEH program priorities? For example, is their ratio of support for media, museums, and libraries similar to that of NEH's program grants?

Answer: Compared with the Endowment, the state councils devote a larger share of their project funds to supporting activities for the general public, including projects in media, museums, and libraries.

State councils do complement the Endowment's emphases and initiatives, however. Recently some councils have begun to be more involved with humanities education and others are supporting project celebrating the Bicentennial of the U.S. Constitution. The councils have also expressed considerable interest in the NEH initiatives "Understanding America" and "Understanding Other Nations."

Question: An article in the January-February 1986 issue of American Film quotes Craig Eisendrath, executive director of the Pennsylvania Humanities Council as follows: "State councils are private agencies, populist in tone, and wonderfully independent." Would you agree with his assessment of the State councils? If so, is that a reason for trying to limit State funding as you are recommending?

Answer: As for the comment of Mr. Eisendrath, we agree that the state councils are and should be private, independent agencies and, if not necessarily populist in tone, then in any case responsive to the needs of the general public in the respective states. As we have done in the past, we continue to encourage the councils to develop independent sources of support beyond what the Endowment can provide. However, as noted above, the sums that we are requesting for State Programs in FY 1987 are quite substantial, especially in light of the Endowment's broad mandate to support both public and scholarly activities.

PRESERVATION

Question: There is a request of $4,000,000 for Preservation for FY 1987. This amount restores the .6 percent across the board reduction made in the 1986 appropriation. (p.69) Given the importance of preserving the cultural, intellectual, and literary history of the United States, are we moving forward at the proper pace so that we won't lose valuable books and papers?

Answer: The preservation movement has been growing slowly but steadily for the last few years. Besides the Endowment's efforts, other major institutions and organizations have taken action to quicken the pace of the national attack on this problem. For example, the Council on Library Resources recently formed a

Commission on Preservation and Access that will employ a preservation specialist to organize national projects to preserve brittle books. Two years ago, the Library of Congress organized a National Preservation Programs Office to provide information to the research library community. And the Association of Research Libraries, whose membership includes the 115 largest North American research libraries, has established a set of preservation guidelines for its membership which includes calling for a floor of 4 percent of total library expenditures to be devoted to preservation.

Question: At the present pace of your program and the efforts of others, will there be documents that will become unusable over the next five years?

Answer: There will inevitably be documents that will become "unusable" over the next five years. But it is important to keep in mind that selectivity is the only prudent strategy for a preservation initiative to take. Librarians, archivists, scholars, and others concerned with this problem agree that not everything needs to be saved and that efforts should be concentrated on preserving the most significant items that are threatened. An NEH grant to the American Philological Association, for example, has brought together a group of scholars and librarians who are determining which important nineteenth century books in the field of classical studies should be selected for preservation microfilming.

Question: Can you give us examples of collections that have been lost or collections that you believe to be in a precarious condition?

Answer: Three research libraries have recently conducted surveys of their collections. Yale University Library staff have calculated that 44.7 percent of the books in Sterling Library (the main humanities library) are embrittled. The Library of Congress has estimated that approximately 77,000 of its volumes become embrittled each year. At the New York Public Library, a survey of the World War I and World War II Collections found that 71 percent of the book paper in their collections were embrittled.

These figures are disheartening, but again, preservation programs do not intend to save everything and are predicated upon selectivity.

Question: According to the justification, 26 states have been involved so far in the U.S. Newspaper Program. What will it take to get the balance of the States involved? How many more can you involve within the request for FY 1987?

Answer: The individual state projects are at various stages of completion; some states already have projects well in place while others have no plans or have barely begun. Endowment support is provided for both the planning of the state projects and their implementation, which may include cataloging and/or microfilming of important newspapers that are in danger. In FY 1987, NEH anticipates funding four to six new state projects. We expect to continue this pace through FY 1991.

The U.S. Newspaper Project will extend at least through the 1990's because many of the larger, more populated states such as New York will have longer implementation phases. The extent of the Endowment's involvement in this activity will be reassessed from year to year, but we remain committed to the Project for the foreseeable future.

Question: What would your emphasis be if you could get additional funds for the preservation program?

Answer: The Endowment's request of $4 million for the Office of Preservation is sufficient to support the best proposals the office is likely to receive in FY 1987. If more funding is appropriated by the Congress, we would continue to emphasize cooperative preservation microfilming projects and projects to train preservation personnel. Some funds would also go towards additional research and development activities. But as Mr. Field said at the budget hearing on April 16, the Endowment is "moving as quickly as possible" given the state of preservation expertise and technology at repositories throughout the country.

TREASURY FUNDS

Question: The request for Treasury funds is $12,500,000, an increase of $910,000 over the FY 1986 level. This amount would be the most ever made available under Treasury funds. One of the arguments for the program is that "the stimulation of private-giving inevitably has the effect of improving the long-term health of humanities institutions by forging relationships between donors and grantees". (p.77) What evidence do you have that Treasury funds have indeed stimulated long term relationships between donors and grantees?

Answer: We have not claimed that "long term relationships" are established between donors and grantees, although we suspect there are many instances where they develop. Rather, we do argue that institutions and other grantees that engage in fund raising as a consequence of receiving an NEH matching award often develop new avenues for tapping non-federal sources of funding that might otherwise have been missed. For example, an NEH sponsored Congressionally mandated study of the Endowment's Treasury funds program, submitted to Congress in December 1982, found that smaller institutions were often particularly pleased to receive NEH matching offers because they found that by administering the matching grant they upgraded their development offices, improved bookkeeping methods, and were able to locate new corporate donors that had previously gone unsolicited by the institution.

Question: Provide for the record, how you plan to allocate the Treasury funds among the various programs of the Endowment?

Answer: It is difficult for the Endowment to project exactly which grantees in which programs will be successful in raising gifts during a particular fiscal year. Most matching offers extend over a three year period, and gift raising is far from being an exact science. The Endowment needs flexibility to respond to matching needs as they develop over the course of the fiscal year.

One indication of both the need for increased Treasury funds and the inexactness of predictions in this area is the fact that as recently as FY 1984, General Programs was able to use only $829,000 in Treasury funds. For FY 1987, we are requesting $2.5 million in Treasury funds for General Programs.

The allocation of Treasury funds is done at the division level. Our best projection for fiscal 1987 is shown below.

ESTIMATED ALLOCATION OF TREASURY FUNDS

FY 1987

Division/Office	Amount
Education Programs	$ 700,000
Fellowships and Seminars	--
General Programs	2,500,000
Research programs	5,300,000
State Programs	4,000,000
Total Treasury	$12,500,000

Question: To what do you attribute the almost 30 percent increase in third party support in FY 1985 over the FY 1984 level generated through the Treasury funds?

Answer: There are several factors contributing to the great increase in third party support for humanities projects in FY 1985. The overall stimulus fueling this increase is the general health of the economy which has allowed donors to contribute more money to tax-deductible causes. In addition, increased gifts are an outgrowth of the policy of the Endowment to encourage more non-federal giving to the humanities wherever possible; consequently, the agency has increased its use of matching offers in its grant awards. Finally, we think the rise in third party giving can be explained partially as a reflection of growing maturity and expertise in fund raising on the part of humanities scholars and institutions.

Question: Would you expect this rate of increase to continue or was it a one time phenomenon?

Answer: We expect our use of matching funds to continue to grow, although perhaps not at the rate of FY 1985. Private support for the arts and the humanities has grown enormously in the last decade ($1.20 billion in 1974 compared to $4.64 billion in 1984 -- an increase of 287%). We have no reason to think that there will be a reversal of this general trend in the future.

CHALLENGE GRANTS

Question: The request for Challenge Grants is $16,500,000, a decrease of $398,000 from the presequestration level of $16,898,000. A match of 3 to 1 is required for Challenge Grants. Given the higher matching requirements of Challenge grants as compared to Treasury funds, why do you decrease Challenge grants and increase Treasury funds?

Answer: It is important to remember that Challenge Grants and Treasury funds grants are two very different mechanisms for generating third-party contributions. Challenge Grants provide institutional support whereas Treasury funds support individual humanities projects. The purpose of a Challenge Grant is to improve the financial health and stability of an institution; Treasury funds matching grants help make possible a discrete humanities project, production, or program.

The funding request for Challenge Grants, $16,500,000, is identical to the Endowment's request for FY 1986. This sum is more than sufficient to support all of the very best applications to this program.

The last two years, however, have shown a remarkable upsurge in the demands on Treasury funds as gift-raising by our grantees for humanities projects has hit record levels. An increase in Treasury funds is being requested so this momentum will not be blunted.

If additional funds are warranted for an Endowment activity, they will be requested. Such is the case with Treasury funds in FY 1987.

ADMINISTRATION

Question: Why have you proposed an increase in the Chairman's Office of one additional full-time equivalent?

Answer: The FY 1985 actual 9.8 FTE years in the Chairman's Office reflected no permanent agency head. The FY 1986 estimates anticipated that a new chairman would be appointed by the latter part of the fiscal year. The FY 1987 request for an increase of one FTE staff year is based on the expectation of a new chairman being on board the entire year.

Question: The Personnel staff will be reduced from the 1985 level of 15.6 to 12 in FY 1987. What efficiencies have allowed you to make this reduction?

Answer: The Personnel Office houses the agency's temporary secretarial help, ranging from 6 to 7 employees at any given time. The reduction will be accommodated through focusing the hiring of these temporary employees to peak workload periods.

Question: Provide for the record, the total expenses expected for the National Council on the Humanities. Compare to 1985 and 1986.

Answer: In FY 1987 the estimated expenses of the National Council are $89,000; only a slight increase is requested to account for higher travel costs as a result of inflation. In FY 1985 Council expenses were $83,600; in FY 1986 estimated costs are $87,600.

Question: How important is it for the NEH staff to be able to travel? How much of the staff travel request is related to site visits to perform audits?

Answer: It is essential for staff to travel in order to:

-- explain new grant programs and agency priorities and initiatives,

-- advise potential applicants;

-- advise and monitor grantees;

-- provide service to the field through workshops and conferences, and

-- represent the Endowment and the federal government at major professional conferences.

Not only does staff travel have an impact on the number and quality of proposals coming to the Endowment, it also improves the oversight of on-going, previously funded projects. Moreover, attendance at conferences and workshops helps personnel development by keeping staff abreast of the latest developments in their humanities fields.

Approximately 43 percent of NEH staff travel ($97,000 of the FY 1987 request) is conducted to perform site visits. Site visits are carried out for a variety of purposes including grant administration, technical assistance, and financial reviews and inspections. Site visit travel involving audits by the NEH audit staff is estimated to cost $12,000 in FY 1987.

Question: Provide for the record a list of the consultants and the amount paid each for FY 1985. Also include a brief description of the purpose of the consultation.

Answer: In FY 1985 NEH contracted for analytical studies and expert advice from the following individuals and, in one case, business firm:

Name	Amount	Purpose
Harriman, Robert	$ 270	To provide technical expertise and quality control to the U.S. Newspaper program.
Hart, George D.	1,645	To consult with the Chairman, Endowment staff, and Council members regarding Endowment policies and procedures.
Huber, Richard M.	30,440	To conduct research and advise on ways to expand public sector support of humanities programming, particularly in the Media program.
Maher, William J.	477	To consult with Council members and staff on the reorganization of the Research Division and on revised guidelines for the Access program.
McDowell, Gary	1,874	To provide advice and assistance on the development of the agency's initiative on the Bicentennial of the U.S. Constitution.

McGill, William	22,215	To advise on ways to achieve greater effectiveness in the Endowment's Education programs.
Patt, Beatrice	14,875	To evaluate the Younger Scholars program and address policy issues raised by the National Council.
Raymond, Andrew	77	To provide technical expertise and quality control to the U.S. Newspaper program.
Research Communications	18,700	To evaluate two media projects and advise the agency on their effectiveness.
Schreiber, Susan	5,625	To conduct an evaluation of the support for interpretative skills workshops in the Museums and Historical Organizations program.
Skeels, Marilyn	2,660	To review the "National Information Management Project" for the State Humanities Councils.

During FY 1985, the Endowment also sought advice from approximately 10,500 panelists and reviewers and the 26 members of the National Council on the Humanities. Reviewers donate their services to NEH; the cost of panelists and the Council in FY 1985 was $659,800. (See the Endowment's twentieth annual report for a listing of panelists and council members.) In addition, a total of $17,800 was paid to 20 persons who performed site visits to review and evaluate NEH projects and grantees.

Question: Provide for the record the details of the amount requested for other contractual services in FY 1987 and how this compares to the previous two years.

Answer: National Endowment for the Humanities
Other Contractual Services
FY 1987 (estimate)
($000's)

Intergovernmental Personnel Act assignments (IPAs)	$750
President's Committee on the Arts and the Humanities (paid to NEA)	114
Guard Service at the Old Post Office Building	46
ADP - systems analysis and programming to maintain and improve the Information Management Systems.	150
Administrative Service Contracts - payroll services from the General Services Administration, office machine maintenance and repair, newspaper clipping service, audit services, employee training, employee health-unit services, advertising Endowment programs, office space alterations, mailing services for agency program materials, providing mailing labels, site visitors, writing fees for agency publication *Humanities*, and other miscellaneous personal service contracts.	205

The request for other contractual services for FY 1987 is one-third higher than previous years because Congress directed that IPAs be paid from administrative funds instead of program funds. FY 1987 is the first year in which a full-year's cost of IPAs will be charged to the administrative account. The $750,000 above includes a full-year's funding for 13-15 IPAs.

All other contractual services in FY 1987 are held to the previous years' levels; no increases beyond two to three percent for inflation are anticipated at this point.

Question: What will the additional $25,000 for panelists contracts provide in FY 1987?

Answer: Application volume is expected to rise in FY 1986 and FY 1987. The increase of $25,000 for panelist contracts will fund about seven additional panel meetings, attended by a total of 35-42 panelists who will be reviewing this additional workload. On average there are five to six panelists per meeting.

DISTRIBUTION OF GRANTS AND AWARDS BY STATE

Question: Provide for the record, an indication of how much the $22,415,930 awarded to institutions in the state of New York goes to organizations outside New York.

Answer: Of the total amount awarded to organizations and individuals in New York during FY 1985, $4,337,792 went to what we would call "national organizations," or entities which by the distribution of their membership of constituent units have a national character. The "national organizations" in New York receiving Endowment grants included the American Council of Learned Societies, the Social Science Research Council, and the Committee for Scholarly Communications with the People's Republic of China. These organizations regrant the funding received from NEH directly to humanities scholars from all over the United States.

Many of the activities that the Endowment supports have an impact that extends well beyond the geographic location where the grant recipient happens to be situated. For example, in FY 1985 $2,739,023 was awarded to New York-based media organizations for productions that may be expected to reach communities throughout the country. In the same year, $536,774 was awarded for Summer Seminars which took place in New York but which drew participants from the nation as a whole. In addition, other Endowment grantees such as the New York Public Library and the Metropolitan Museum of Art are located in New York but are national resources for scholars and for the general public.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

Question: Now that the proposed rescission has expired, when will you be able to award funds to various arts organizations in the National Capital area?

Answer: Applications were mailed out April 1, and institutions have until May 8 to apply. We expect to make awards by May 30, 1986.

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TUESDAY, MARCH 4, 1986.

NATIONAL ENDOWMENT FOR THE ARTS

WITNESSES

FRANK HODSOLL, CHAIRMAN
HUGH SOUTHERN, DEPUTY CHAIRMAN FOR PROGRAMS
ANTHONY TURNEY, DEPUTY TO THE CHAIRMAN FOR PUBLIC PARTNERSHIP
PETER J. BASSO, JR., DEPUTY CHAIRMAN FOR MANAGEMENT
KATE L. MOORE, DIRECTOR, OFFICE OF POLICY, PLANNING, RESEARCH AND BUDGET
KATHERINE E. BROWN, ACTING DIRECTOR, DANCE PROGRAM
ADELE CHATFIELD-TAYLOR, DIRECTOR, DESIGN ARTS PROGRAM
A.B. SPELLMAN, DIRECTOR, EXPANSION ARTS PROGRAM
BESS LOMAX HAWES, DIRECTOR, FOLK ARTS PROGRAM
RENEE LEVINE, DIRECTOR, INTER-ARTS PROGRAM
FRANK CONROY, DIRECTOR, LITERATURE PROGRAM
BRIAN O'DOHERTY, DIRECTOR, MEDIA ARTS PROGRAM
ANDREW OLIVER, JR., DIRECTOR, MUSEUMS PROGRAMS
EDWARD R. BIRDWELL, DIRECTOR, MUSIC PROGRAMS
PATRICK J. SMITH, DIRECTOR, OPERA-MUSICAL THEATER
EDWARD MARTENSON, DIRECTOR, THEATER PROGRAM
RICHARD ANDREWS, DIRECTOR, VISUAL ARTS PROGRAM
JOE PRINCE, DIRECTOR, ARTISTS IN EDUCATION
ROBERT CANON, DIRECTOR, TEST PROGRAM OF SUPPORT FOR LOCAL ARTS AGENCIES
JEANNE B. HODGES, DIRECTOR, CHALLENGE GRANTS
DON DRUKER, ASSISTANT DIRECTOR, MEDIA ARTS

Mr. YATES. This is the hearing on the budget for fiscal year 1987 for the National Endowment for the Arts. Appearing in support of this program is the Chairman of the Endowment, Mr. Frank Hodsoll; Mr. Hugh Southern, the Deputy Chairman; Mr. Turney, the Deputy to the Chairman for Public Partnership; Mr. Basso, Deputy Chairman for Management; Ms. Moore, Director of the Office of Policy, Planning; and Ms. Brown, the Dance Program Assistant Director.

Ms. Brown, where are you? Would you stand up so I can identify you and see you?

Okay. Ms. Chatfield-Taylor, Design Arts. Hi, Ms. Chatfield-Taylor. Mr. Spellman, Expansion Arts. Hi, Mr. Spellman. Yes, an old-timer.

Ms. Hawes, an old-timer. Hi, Bev.

Renee Levine, Inter-Arts. Hi, Ms. Levine.

Frank Conroy, an author in his own right. Hi, Mr. Conroy.

Brian O'Doherty, old faithful. Where are you Brian? Andrew Oliver, Museums. Hi, Mr. Oliver.

Mr. Birdwell for Music. Mr. Birdwell, hi. You are new, are you not, Mr. Birdwell?

Mr. **Birdwell.** Yes, sir.

Mr. **Yates.** Well, we will make you old. [Laughter.]

Patrick Smith, Director of Opera-Musical. Mr. Smith, glad to see you again.

Mr. Martenson, the Director of Theater. Mr. Martenson, glad to see you again.

Mr. Andrews, Visual Arts. Hi, Mr. Andrews. You are new, too, are you not?

Mr. **Andrews.** Yes.

Mr. **Yates.** You took Benny's place, as I remember. All right. And Joe Prince, Director of Artists in Education. You are not related to Hal Prince?

Mr. **Prince.** No.

Mr. **Yates.** Okay. Mr. Canon, Director of the Test Program of Support for Local Arts Agencies. Mr. Canon, glad to see you.

And Ms. Hodges, Director of Challenge Grants. Hi, Ms. Hodges.

Okay. That is a formidable array. Now, we have some biographies that may go into the record at this point: the biographies for Mr. Birdwell, Mr. Andrews, and Mr. Smith,

Ms. Brown, Mr. Canon and Ms. Hodges. That is it for biographies.

[The biographies follow:]

EDWARD R. BIRDWELL, DIRECTOR, MUSIC PROGRAM

Edward R. Birdwell is the Director of the Music Program, the Arts Endowment's third largest program. The Music Program provides support for the performance and creation of music, with an emphasis on assisting the development of American repertoire and artists in a wide variety of fields from jazz to symphonic music.

Mr. Birdwell is the former orchestra manager of the Boston Symphony Orchestra and has served as a private consultant for diverse arts and presenting organizations.

Former positions include that of Executive Director of the Los Angeles Chamber Orchestra, Deputy Director and Manager of Concert Operations for New York's famed Carnegie Hall, Assistant Dean at the Aspen Music School and Festival, New York, and a managing partner of the American Brass Quintet, a professional chamber music organization. He also worked with the New York City Ballet Orchestra as second French horn and with the Houston Symphony.

A graduate of the Houston Conservatory of Music in Texas, Birdwell earned a graduate degree in Music Education at the University of Houston. Birdwell has been a member of the Board of Chamber Music America, President of the Board of the American Brass Chamber Music Association, and has served on the Board of the American Symphony Orchestra (NY).

A native of Houston, Texas, he is married to the former Nancy Jamison, an Associate Professor at City University of New York.

RICHARD ANDREWS, DIRECTOR, VISUAL ARTS PROGRAM

Richard Andrews was named Director of the Visual Arts Program in December, 1984. This Endowment program awards fellowships to individuals of exceptional talent working in a wide range of styles and media and also awards grants to organizations that assist visual artists.

Mr. Andrews has been a staff member of the Seattle Arts Commission since 1978 and served as Art in Public Places Coordinator since 1980. In that position he was responsible for the development of that city's public art collection which placed special emphasis on the early involvement on artists in the planning and design of city facilities. During the same period, Mr. Andrews lectured extensively on public art in the United States and England and served as a consultant to a number of cities and non-profit art organizations seeking to initiate public art programs.

As an artist, Mr. Andrews works in sculpture and drawing; his work has been shown in various west coast exhibitions.

His publications include an essay for "Insights/On Sites: Perspectives on Art in Public Places" and an interview with James Turrell in the catalog, "James Turrell Four Lights Installations." He was also the Project Director for the "Artwork/Network," a comprehensive planning study for artists' projects in Seattle's urban center.

He is a graduate of Occidental College in Los Angeles and earned graduate degrees from the University of Washington in Seattle.

PATRICK J. SMITH, DIRECTOR, OPERA-MUSICAL THEATER PROGRAM

Patrick Smith, writer, music critic, editor and lecturer became Director of the Opera-Musical Theater Program in February, 1985. This Program provides support to professional opera and musical theater producing organizations; their creation, development, rehearsal and production of new or seldom produced American works; regional service organizations; and projects by individual producers.

Mr. Smith's former positions include serving as correspondent for The Times of London, New York correspondent for Opera Magazine, and Book Editor of Musical America. In addition, he is the author of "The Tenth Muse; a Historical Study of Opera Libretto" (1970), and "A Year at the Met" (1983).

A former President of the Music Critics Association (1977-81) and former Editor and Publisher of The Musical Newsletter (1970-77), Mr. Smith has written for many journals including High Fidelity, Musical America and The Musical Times. He has contributed articles to the New Grove Dictionary of Music, and to the Grove Dictionary of American Music.

A graduate of Princeton University, he is a native of New York City where his wife and children reside.

KATHY BROWN, ACTING DIRECTOR, DANCE PROGRAM

Kathy Brown has been Assistant Director of the Dance Program at the National Endowment for the Arts since 1985 and is currently serving as its Acting Director. Prior to that she served as Program Administrator of the Dance Program, and prior to that administered the Agency's Fellowship Program for Arts Managers. Ms. Brown holds a BA in Music and French from Randolph-Macon Women's College in Virginia where she also studied dance extensively.

ROBERT CANON, DIRECTOR, LOCALS TEST PROGRAM

Robert Canon is the first director of the National Endowment for the Arts' Locals Test Program, which he helped organize with Chairman Francis S.M. Hodsoll in 1982. In this position he is responsible for the organization, development and administration of the Endowment's new initiative to increase local governmental support for the arts throughout the United States.

He has had a varied career as an artistic director, administrator and public official. He is the immediate past president of the National Assembly of Local Arts Agencies and has served on boards of the U.S.A. International Ballet Competition, the Houston Society for the Performing Arts, and the Mississippi Arts Commission.

From 1974-83 he was the Chief Executive Officer and Executive Director of the Arts Council of San Antonio where he was responsible for a major reorganization and development of arts support for the nation's tenth largest city. During his tenure in San Antonio, city arts support grew from $350,000 to nearly $4 million annually. He was co-founder of the Robert Joffrey Ballet Workshop in 1973 and was the Director of the Galveston Arts Center (1972-74) and Coordinator of Performing and Fine Arts Programs and Associate Director of the Opera Theatre at the University of Mississippi (1965-72). He holds graduate degrees in theatre from the University of Mississippi and has directed over 50 theatre and opera productions. He has published in numerous arts journals and is listed in "Who's Who in the South and Southwest."

JEANNE BUTLER HODGES, DIRECTOR, CHALLENGE AND ADVANCEMENT GRANT PROGRAMS

Jeanne Hodges, a former partner in Washington Resources, Inc., a consulting firm for educational and cultural organizations, became Director of the Challenge and Advancement Grant Programs in June, 1984. These Programs have been very successful in generating private sector support for the arts through a stringent matching process. From its beginnings seven years ago, it has attracted nearly $1 billion in new, non-federal dollars for the arts to match a total of $130 million in federal grants.

The former President of the American Institute of Architects Foundation in Washington, D.C. from 1973–1982 and Director of the Octagon Museum, Ms. Hodges has had a distinguished career in the fine arts field. Positions include that of an acting director for the new National Museum of Women in the Arts, Washington, D.C., work with the National Collection of Fine Arts and Renwick Gallery of the Smithsonian Institution and North Carolina Museum of Art in Raleigh.

A member of the Board of Directors of the Foundation for Preservation Technology, Ms. Hodges has served as a member of the Board of Governors for the American Association of Museums; on The Decatur House Council of the National Trust for Historic Preservation and is a Regional Advisor for the American Friends of Attingham. She earned a BFA in Art History from the University of North Carolina at Chapel Hill and a MFA in Museum Administration from George Washington University, Washington, D.C.

She resides in Alexandria, Virginia with her husband and one daughter.

Mr. YATES. Now, Mr. Hodsoll's statement may be put into the record at this point.

[The statement follows:]

NATIONAL
ENDOWMENT
FOR
THE ARTS

WASHINGTON
D.C. 20506

A Federal agency advised by the
National Council on the Arts

Statement of

Frank Hodsoll

Chairman, National Endowment for the Arts

Chairman, National Council on the Arts

Hearings

before the

Subcommittee on Interior

and

Related Agencies

of the

Committee on Appropriations

House of Representatives

March 4, 1986

Mr. Chairman, Members of the Committee:

It is a pleasure for me to be here today to discuss the Administration's request for $144.9 million, including $117.9 million for grants and administration, and $27.0 million in matching (indefinite) funds, for the National Endowment for the Arts in Fiscal Year 1987. Mr. Chairman, on behalf of everyone at the Endowment I want again to thank you and the Members of this Subcommittee for your continued support and concern for the work we do.

The budget request before you today is consistent with the Administration's requests for FY 1985 and FY 1986. Even with the pressures of the Gramm-Rudman-Hollings deficit reduction legislation, we are committed to a significant level of Federal funding for the arts. The budget we propose will continue the support of excellence in the arts and access to and appreciation of, that excellence; it will catalyze support for these purposes; and it will help bring national recognition to the best of the nation's art and artists.

In FY '86, the Arts Endowment directly supports artists and arts organizations through 67 funding categories in 18 programs. Endowment programs are designed to meet diverse and ever changing needs and opportunities to further excellence and access throughout the country. We work with state, local, and regional arts agencies, our "public partners", to help assure the different needs of different regions are identified and addressed. In virtually every area of Endowment activity, we depend heavily upon partnerships with the private sector; private support continues to be the bedrock of a flourishing artistic environment in America.

As the Endowment has evolved over the years, a distinction has developed between what I would call "base programs" and "initiatives". Base programs provide a margin of support for arts institutions and individuals, and general support for state arts agencies and regional organizations to assist the arts in accordance with individual regional, state and local priorities. These categories of funding include ongoing seasonal support for performing arts institutions and fellowships for individual artists. The vast majority of the Endowment's funds are dedicated to these "base programs". At the same time, we also channel some monies toward particular needs in the fields where we see -- based on a national perspective -- that the federal dollar may have a particularly positive impact.

Mr. Chairman, I would like to focus my statement this morning on such initiatives. These intiatives are designed to effect a change in the state of artistic excellence and audience appreciation of the arts. It is an effort to put limited dollars where they will have a catalytic and long-lasting impact on fostering the best of the arts and access to, and appreciation of, that best.

For example, years ago, the Endowment's Music Panel became concerned that emerging, gifted conductors were not provided sufficient opportunities to work with major professional orchestras. Out of such concern, the Exxon/Arts Endowment Conductors' Program, was launched in 1974. It has been jointly funded since that time by the Exxon Corporation and the National Endowment for the Arts and is managed by Affiliate Artists. Participating conductors perform on a full-season basis, for up to three years, with a major symphony orchestra or opera company, under the guidance of the performing organization's artistic and administrative staff. Since 1974, the Program has placed 42 conductors in full-season residencies with 26 symphony orchestras and opera companies. Nearly 90% of the Program's graduates have found full-time, permanent positions in their field, and many have assumed prominent positions with leading orchestras throughout the country.

In 1976, the Endowment's Media Arts Program began to provide major support to televised arts programming. Very soon the Programming in the Arts category became a major and highly influential aspect of our work. Arts programs of high quality found vast new audiences through public television and radio broadcasts; we are still in the early stages of developing this great technological potential for multiplying arts appreciation and involvement.

Programming in the Arts grants have supported such distinguished series as Live from Lincoln Center, Live from the Met, and Great Performances, which reach between 5 and 6 million viewers with each performance. American Playhouse, which presents adaptations of original drama and live theater for television, reaches an estimated 6 to 10 million viewers per performance. Last year, this subcommittee again recognized the importance of television and radio programming in the arts in reaching audiences of all kinds from coast to coast, and we are pleased as a result to have been able further to sustain these important enterprises.

Examples of leadership efforts undertaken in more recent years include the creation of the Regional Fellowships for Emerging Visual Artists, the Test Program for Local Arts Agencies, the Community Foundation Initiative in Expansion Arts, and the Theater Ensembles initiative in Theater.

The regional fellowships in the visual arts were begun in Fiscal Year 1982 as a pilot program designed to augment the Endowment's national fellowships by extending fellowship support on a regional basis to outstanding artists the Endowment might not otherwise reach. In Fiscal Year 1982, the Visual Arts Program awarded a grant to the Mid-America Arts Alliance for fellowships in the mid-West. Since that time, the program has expanded to include three regional organizations covering 23 states. To date, 79 fellowships of $3,500 each have been awarded.

The program is meeting with success on several levels. The fellowships are providing increased support and recognition at the regional level, and are also levering additional funds for artists because the regional organizations match the Endowment funds before subgranting them. In addition, the three participating regional organizations have organized and toured exhibitions of the recipients' art and are working in a variety of other ways to promote their work.

Three rounds of grants have been awarded under the Locals Test Program, which was established in 1983. They have demonstrated that some 145 local arts agencies could match $6 million in federal grants with over $27 million in new public funds at the local level. In FY 1986 these projects are being evaluated to determine whether this success warrants establishing the Program on a permanent basis, rounding out the public partnership the Endowment enjoys with state and regional arts agencies. At this time the outlook is very positive.

The Community Foundation Initiative was established to stimulate the creation of permanent endowments to assist emerging community-based arts organizations. This idea has taken root in Chicago, where a partnership between the Chicago Community Trust, the Chicago Council on the Arts, and the Endowment provides a revolving fund available to emerging arts organizations. Community Foundations in places such as Knoxville, Tennessee, Albuquerque, New Mexico, and Concord, New Hampshire are participating in this program, and they are finding innovative ways to match Federal dollars at a rate of two-to-one for up to four years each. Two rounds of CFI have produced 13 exemplary projects. We will maintain our current budget level for CFI despite an over-all budgetary reduction.

The Ongoing Ensembles initiative fills a critical need in the theater field by enabling our best theater companies to establish or augment long-term resident corps of theater artists. This development holds real promise for distinctive artistic achievement. In just two years, the initiative has become as competitive as the Challenge Program.

I have mentioned just a few leadership initiatives begun in response to specific needs in the field; they all reflect an effort to make a positive and enduring contribution to enhanced excellence, access and appreciation -- to effect change. Recent Endowment initiatives are highlighted in the introductory section, (pages 3-5,) of our Fiscal Year 1987 budget submission. Virtually all of the initiatives supported in FY 1985 and FY 1986 will continue in FY 1987. In addition, a few new ones will begin in FY 1987. These include the Music Program's efforts to assist touring of regional orchestras and to enhance music recording, and Media Arts Program efforts to expand arts cassette distribution and to involve state arts agencies in media arts projects. A special focus on utilizing permanent collections in the Museum Program is also highlighted.

Last year during the Endowment's reauthorizaton process, the House authorizing committee expressed a concern that the Endowment's programs should reflect the cultural diversity of this country, encourage the arts in rural areas, and support emerging organizations and "underrepresented" artists and audiences. We have responded and will continue to respond to such needs in all of our programs and projects. Both the House and Senate recognized arts and humanities education as central to the stated purpose of the NFAH Act and recognized the important role of arts education in ensuring a future demand for artistic excellence and broader availability of the arts to all citizens.

As we look toward the future, we are exploring ways to focus our efforts in several key areas on projects that could have major long-term impact on the arts across the country - - in advancing artistic excellence, expanding arts audiences, enhancing the arts presence in rural areas, and making art a basic part of every young American's educational experience.

The primary focus of the Artist in Education Program, since its inception in 1969 has been support for artist residencies in schools. The purpose was to enhance children's powers of perception and expression and to provide an opportunity for artists to function in schools and communities in circumstances conducive to their own artistic development.

During the 1983-84 school year, the Endowment's AIE partnership with all 56 state and special jurisdiction arts agencies supported projects at 10,500 sites, involving some 7,400 artists and 3,650,000 students. We now want to build on that success and broaden the scope of the program to encourage projects that over time will help facilitate the inclusion of arts education as a basic part of the curriculum, from kindergarten through high school.

For two years arts education has been discussed in numerous meetings across the country. We have talked and listened to teachers, school administrators, chief state school officers, artists, leaders of arts institutions, parents, and public officials at all levels. It has become clear to us that arts education, to be meaningful, must be made an integral part of basic education, systematic and sequential. Consequently, we plan to change the name of the Program from "Artists in Education" to "Arts in Education".

Artist residenies will remain a significant part of our effort in Arts in Education. However, we are inviting state arts agencies to broaden their perspective, and to work with us to encourage making the arts a basic part of education.

Over the next few months we will continue working with our public partners and others in devising guidelines for the Arts in Education Program. The effort, to show schools why it is in their best interest to make the arts a basic, will be difficult. It will require long-term commitment. But this effort, if even modestly successful, has the potential to take the arts we support out of what I call the "Twilight Zone" of cultural consciousness.

Our desire to help achieve major change is also relevant to our discussions on the future of the Challenge Program. This program has had a dramatic impact on private sector support and the net worth of our best arts organizations. It has successfully focused attention on the needs of our great arts institutions and on the vital role they play in preserving and making available our cultural heritage. Since 1977 the Challenge Program has generated over $1 billion in private matching contributions for our best arts institutions, at a ratio of about $6.70 in private dollars for every federal dollar granted.

The second phase of this program after FY 1987 will reach a point largely similar to the point at which the first phase concluded in FY 1982. In looking ahead to the future of the Challenge Program, we have adopted a concept we call "long-term enhancement" to guide our thinking. We want to identify those areas where artistic excellence and access to it might be most dramatically enhanced, over the long term, by major Endowment investments.

As we see it, long-term enhancement might apply to such goals as more adequately reaching audiences in small communities and rural areas; encouraging state level challenge programs to help build endowments and cash reserves for what one might call the middle arts organizations that currently do not receive support from either our Challenge or Advancement Programs; launching nationally significant projects in media programming (Challenge has traditionally strengthened public television stations rather than the series with which they bring the arts to audiences); and supporting creative innovation and broadened repertoire in leading arts institutions.

We expect to bring proposals for the future of the Challenge Program to the August 1986 Meeting of the National Council on the Arts where the Council will consider the Challenge Program's FY 1988 Guidelines and budget.

FY 1987 Budget Request

The request of $144.9 million for FY 87 will be used 1) to support the work of the nation's most excellent arts organizations and artists, 2) to support access to and appreciation of, such work, 3) to catalyze additional funding for excellent projects and for capitalization, and 4) to fund the administrative structure to support our grant-making and leadership activities.

A. Grants and Administration

1. Grants

Of the requested $117.9 million for Grants and Administration in FY 87, $103 million will be used to support outstanding artistic projects, fellowships, and activities which bring the arts to wide audiences. Program monies will support the activities of the discipline and multi-discipline Programs, as well as Partnership Programs. The remaining funds ($14.9 million) will be used to support the administrative structure which generates grants and leadership. Within the Program account, we will continue emphasis on our base programs, but also start a select few initiatives:

Media Arts: Cassette Distribution ($200,000). This funding will support the availability of previously-funded television arts programs by making cassettes available for educational purposes.

Media Arts: State Arts Agency Initiative ($100,000). Only a limited number of state arts agencies currently administer media arts programs. These funds would provide support to interested state arts agencies for developing programs of support to the media arts so that a broadened funding network might be developed.

Museums: Special Artistic Initiative ($500,000). This initiative will assist museums in developing series of exhibitions, educational programs and publications, using their permanent collections over a period of two or more years. Permanent collections are often underutilized because of the relative glamor of special, temporary exhibitions.

Music: Recording ($200,000). A stronger emphasis on recording would encourage more recording of American music. Funds would be directed to both not-for-profit recording companies and to performing ensembles and artists.

Music: Orchestra Touring ($100,000). These funds will provide support to smaller major orchestras (with available services) to tour to communities not usually reached.

State Programs: Special Constituencies Symposium ($50,000). These funds will support the second national symposium on arts accessibility for special constituencies. The first such conference, in July 1983, brought together "504 coordinators" from state and local arts agencies, representatives of service organizations, artists, and arts administrators active in reaching disabled, older, and institutionalized audiences and artists.

2. Administration

We are requesting $14.9 million for FY '87 to ensure we can maintain the quality of the Endowment's grant-making activities and to ensure post-grant award administration continues at an appropriate level.

This request represents a 2.7% increase over the pre-Gramm-Rudman FY '86 Administrative Budget, i.e. - exclusive of the Office of Policy, Planning and Research. This modest increase is required to compensate for reductions made to our FY '86 Administrative Budget as a result of the overall 0.6% reduction in Interior Appropriations made during the enactment of the continuing resolution. In addition, the FY '86 Budget did not contain funds fully to offset the pay raise enacted in FY '85 nor our absorption of IPA costs from the Program account which also became operative in FY '85.

It is important to note that, in FY '86, in order to continue to improve our long-term efficiency, we are making a one-time planned reduction in our staffing to provide funding to ensure continuing development of our automated grants management and information systems. On top of these reductions, of course, we are making further cuts in panel allocations, travel, and other administrative expenses to comply with targets imposed by the Gramm-Rudman-Hollings Budget Reduction Act.

The proposed FY '87 Budget will permit us to fund our full complement of 258 FTE's (a reduction of 4 vs. 262 FTE in FY 85). This personnel complement is essential to carry out our grant-making responsibilities, to restore panel activity to a level we consider appropriate, and to meet our other fixed costs.

Also, this proposed budget permits us to continue to fund our Five-Year Information Systems Plan which has been critical to our being able to manage our Programs at greatly reduced FTE levels.

B. Matching Grants

The Endowment requests $27.0 million in matching (indefinite) funds, which will assist in the generation of private donations to the arts.

1. Treasury Funds

The Endowment requests $9.0 million in Treasury funds. These funds, generally matched three to one, will support larger-scale projects undertaken by organizations in the performing arts fields and in the fields of media arts and museums. These funds will also support Advancement Program grantees selected in FY 84 and FY 85, who are now raising the match required in the second phase of this Program.

2. Challenge Funds

The Endowment requests $18.0 million for the Challenge Grant Program. This level -- twelve percent of the budget -- will assure a critical mass of funds to provide, in proportion to our base programs, for a similar level of competition for those of the nation's most outstanding arts institutions that have not yet had a first or second Challenge grant since FY 1983. These grants will assist organizations to level new contributed support, primarily for capitalization, thus strengthening their long-term stability.

Support for balance sheet items such as capital reserves or endowments is relatively scarce (few state arts agencies, for example, take on this mission and foundations primarily support programs and projects). It is therefore important to maintain a visible Federal funding presence oriented to such longer term needs. In this way, the Challenge Program, budgeted at less than one-fifth the amount proposed for Programs and Treasury, is an important complement to the short-term support provided through Program and Treasury Funds.

Based on historic experience, the private funds generated for the arts through the Challenge Program should be well in excess of $100 million.

* * * * *

The proposed budget of $144.9 million for the National Endowment for the Arts will enable us to sustain support for our base programs and leadership initiatives. We will continue to be able to support the best of the nation's arts, provide access to excellent programming throughout the country, and encourage growth and stability in the diverse network of public and private support. We are fortunate that, in a time of constrained Federal budgets, a strong economy has made possible growth in key areas such as artists employment, ticket revenues, state arts agency appropriations and private donations to the arts. State arts agency appropriations in particular are up from $124 million in FY 82 to $202 million for FY 86.

We will, in sum, be able to maintain a significant Federal presence in the support of the arts, and to intensify our efforts to increase appreciation and availability of the full spectrum of the nation's artistic achievement.

Mr. YATES. Mr. Hodsoll, you probably have prepared a long oral statement. Or have you prepared a short oral statement?

Mr. HODSOLL. I think it is a short one.

Mr. YATES. All right. If it is a short one, we will hear you. Go ahead. [Laughter.]

Mr. HODSOLL. I will give you a short oral statement.

Mr. YATES. Okay.

CHAIRMAN HODSOLL'S OPENING STATEMENT

Mr. HODSOLL. All right. Well, I am happy to be here, Mr. Chairman, and as usual, I thank the committee and the chairman for having this hearing.

Since we last met, we have been reauthorized, as you know, for five years. We were very glad to work with the Congress on this reauthorization—both sides of the aisle—who I think share the view that there ought to be a strong Arts Endowment.

As I said in the past, Mr. Chairman, and here, the arts are important. In the non-profit sector of the arts, there is a continuing struggle for funds, and the Federal role in this is also important.

Also, since we last met, we have had the Gramm-Rudman-Hollings Bill. Neither the administration nor the Congress has had much luck bringing budget deficits under control. Nonetheless, our budget proposal was slightly more than it was last year, and the aggregate of the administration proposals are within the Gramm-Rudman-Hollings targets as we predict them for 1987.

RECENT ARTS ENDOWMENT ACCOMPLISHMENTS

The Arts Endowment, I think, has from the beginning had a number of very worthwhile and exciting ventures in the arts. They have included things like, as you know, the Dance Touring Program, Programming in the Arts on television and radio, the Exxon-Arts Endowment conductors program, Media and Visual Arts regional fellowships, the Locals Test Program, and the Community Foundation Initiative, which built on a Chicago prototype.

Last year, in addition to the celebration of our 20th anniversary, I think that you will be interested, Mr. Chairman, in knowing that the National Center for Film and Video Preservation got off the ground with its first board of directors meeting which included representation from the networks and major studios, as well as the Museum of Modern Art, Eastman House, the Library of Congress, and so on. One of the most notable things that came out of that was a moratorium agreed in television on the destruction of any further television material until such time as guidelines could be developed.

Secondly, last year, state arts agencies' budgets increased to $202 million, which is a major increase and we are pleased about that.

I might just take a moment here to mention an anecdote which may give you a sense of artistic excellence in places that you would not necessarily think of off the bat. Last night, I got a memo from our Opera-Musical Theater Director, Patrick Smith, reporting on a production of the Rakes Progress by the Hawaii Opera; that is, Stravinsky's opera with sets by David Hockney. And, I think it is interesting that in Hawaii, with a company which has a budget in the smaller range, $200,000 to $600,000, they are producing major works that are beyond the normal repertoire and doing them very well and to good critical acclaim.

In our 1987 budget, we are proposing initiatives in the area of regional touring of orchestras, and in the area of videocassettes. I might pause a moment on that, if I may, Mr. Chairman.

We had a meeting just about a week ago in which Les Brown, who is the editor-in-chief of Channels magazine, reported on the potential of the use of videocassettes to reach specialized audiences all around the country. This is something we have put some additional money into to see if we can identify or help the field to identify the markets where this could be done. I might note that the Metropolitan Opera, with its Live from The Met series, is already testing these markets, and it may be a way to reach more people in a more precise way than has been possible before.

I know, Mr. Chairman, of your interest in the media, really from the beginning of your chairmanship of this committee in looking back over the years. And I think that we join you in wanting to explore how that medium can be used to a much greater extent.

Penultimately, I would like to mention our administrative budget, if I may, sir.

ADMINISTRATIVE REQUEST

Mr. **Yates.** What does that mean? Finally?

Mr. **Hodsoll.** No. Second from finally. As much as you might like it to be finally, I am very close.

We are proposing in this budget $14.9 million for Administration, which is a 2.7 percent increase over 1986, but equal to the House vote on our administrative budget of last year.

In 1979, with respect to our fiscal year 1980 budget, this committee took the lead in adding dollars to the Endowment's budget for 25 positions to bring our personnel complement up to 325 at that time. We then had an application load of between 24,000 and 25,000 applications. In fiscal year 1985, we had an application load of a little over 18,000 applications, which is part of an upward trend since 1981, which was a low point. At the same time, personnel complement that we are requesting in this budget submission, sir, is for 258 people versus 325 people in fiscal year 1980. It is the same number of people that we had on board in 1975 when we only had 13,000 applications. We can do it with that, but we need all of that, even after any impact of Gramm-Rudman-Hollings.

The current year is a real problem for us in Administration. We must remedy this in 1987, or—I will state this on the record—our agency cannot adequately perform its mission.

CHAIRMAN HODSOLL'S CONCLUSION

Finally, now, in conclusion, I would just like to note on a personal basis, if I may, Mr. Chairman, this is our fifth year together on these issues. We have disagreed in the past on the level of our budget, but I think we have also agreed on a number of other things. I think we both want the arts to flourish in this country; I think we both want excellence to increase in this country in terms of the arts; I think we both want more access to and appreciation of the arts; I think we both want more recognition in all sectors—political, economic, et cetera—of the cultural life of this nation. And, I think we both want, finally, that the Endowment be well run, and that means efficiently and without interfering with freedom of expression.

You have labored in these vineyards, certainly a lot longer than I have. You may know more. I think I may have learned a little bit in the last five years. But I would conclude my statement by saying that I would hope that we could work together on these things we agree on, because if we do not, the arts are going to suffer.

Thank you, Mr. Chairman.

BUDGET PROPOSED TO OMB

Mr. **Yates**. Thank you, Mr. Hodsoll.

Do you have a copy of the budget as you submitted it to OMB?

Mr. **Hodsoll**. Yes, sir. It is in the budget submission in the backup material. Do you want to quote the page where it is to help Mr. Yates find it? You have got it right there?

Mr. **Yates**. Is this it here?

Mr. **Hodsoll**. Yes.

Mr. **Yates**. In other words, you submitted four levels of proposed budget to OMB?

Mr. **Hodsoll**. That is correct.

Mr. **Yates**. How did you happen to do that? Instead of asking for one level, why did you ask for four?

Mr. **Hodsoll**. Well, we suggested four different levels——

Mr. **Yates**. Is this usual?

Mr. **Hodsoll**. This is usual, yes, sir.

It has been usual, I might say, not only in my administration, but back in the earlier administrations as well, to submit several levels.

Mr. **Yates**. Okay. As I understand it then, OMB approved Level No. 2; is that correct?

Mr. **Hodsoll**. That is correct.

Mr. **Yates**. Did it make any changes in the program allotment that are reflected on this page?

Mr. **Hodsoll**. No.

Mr. **Yates**. Okay. OMB approved it just as you submitted it?

Mr. **Hodsoll**. I am sorry?

Mr. **Yates**. OMB approved it just as you submitted it in Level 2?

Mr. **Hodsoll**. Do you want to speak to that? We made a couple of changes afterwards.

Ms. **Moore**. If I may clarify, the Level 2 budget featured on that page, Mr. Chairman, is essentially the level that we requested of Congress. There are a couple of differences in that the Administrative budget that we had proposed was $15.3 million; in the final analysis, we are asking for $14.9 million, as featured in the upper right-hand column.

And then internally, we made just a couple of other shifts, putting some program money into the Advancement Program rather than having that funded purely from Treasury. We also shifted some of that money from the $15.3 million proposed for administration into a few other of the program areas because we had the same bottom line.

Mr. **Yates**. Now, when you submit this to OMB, do you indicate any preference as to which level you want?

Mr. **Hodsoll**. Yes, sir.

Mr. **Yates**. What did you tell OMB?

Mr. **Hodsoll**. We had a preference for Level 3.

Mr. **Yates**. For Level 3 at $170 million.

Mr. **Hodsoll**. That is correct.

Mr. **Yates**. And OMB cut that back to your Level 2, which is $144.9 million?

Mr. **Hodsoll**. That is correct.

I might add, we submitted our budget before Gramm-Rudman-Hollings, and OMB acted after Gramm-Rudman-Hollings.

Mr. **Yates**. Do I draw the correct conclusion, then, that your preference, without respect to Gramm-Rudman-Hollings—and I do not know that it is a realistic question—but at any rate, you wanted a budget for the arts of $170,600,000; because of Gramm-Rudman-Hollings you were cut back to $144.9 million?

Mr. **Hodsoll**. Well, I do not think just because of Gramm-Rudman-Hollings we were cut back to that, but Gramm-Rudman-Hollings certainly had a constraining influence. As you know, Mr. Chairman, the budget that we submit, as a part of the overall administration's budget, is predicted to be within the 1987 targets for Gramm-Rudman-Hollings.

At this point in time, as you know, sir, I am a part of an administration position on our budget, and I support what is Level 2 here, which is our proposal.

Mr. **Yates**. But what you are saying is that the arts could use and needs $170 million?

Mr. **Hodsoll**. Yes, I think the arts could, and as I have testified before, I think that there are other programs as well which could use higher amounts. But in light of the Federal budget deficits, we have to be constrained.

Mr. **Yates**. Okay.

Let us turn to the first page of your justification where you say this level is a level of $144.9 million and is consistent with the administration's request of fiscal year 1986 and 1985. You say even with the pressures of Gramm-Rudman-Hollings deficit reduction legislation, we are committed to a significant budget for the arts. The budget we propose will continue the support of excellence in the arts and access to that excellence.

That raises a question in my mind. At what point and at what level does your budget fail to support excellence in the arts?

Mr. **Hodsoll**. I do not think——

Mr. **Yates**. For example, did the administration's original budget back in 1982 of $77,861,000 support a level of excellence in the arts?

Mr. **Hodsoll**. I think clearly it would support a level of excellence. The question is how much support for how much in the nonprofit arts economy?

Mr. **Yates**. I do not know what that means.

Mr. **Hodsoll**. I am sorry. At any level of our budget, if you look at the history of our appropriations beginning in 1965 with a $2.5

million budget, you will find that we support excellence and access to it. The question is, how much of an impact do we have on that?

Mr. YATES. Right. Okay. I will accept that explanation.

How much of an impact do you have at $77 million? Do you have as much of an impact as you do at $144 million?

Mr. HODSOLL. No, we do not have as much of an impact.

Mr. YATES. Can you tell us why?

Mr. HODSOLL. The reason why we do not have as much of an impact is because we have less money to assist the best institutions and best artists in this country, and to assist the state arts agencies and others who help us with our mission.

Mr. YATES. Is there a relationship between the amount of money made available by the Congress in this budget and, to use your phrase, support of excellence in the arts and access to that excellence?

Mr. HODSOLL. Certainly. Otherwise, I do not think either the Congress would be proposing budgets and enacting them nor the President proposing them on his side.

Mr. YATES. Yes, but Congress has had different levels than the President.

Mr. HODSOLL. That is correct, but we both had levels and we both supported the Endowment continuing to do what it can to help the arts. And the Endowment has always, I think, sir, been a small part of this, but we should be as excellent a part as we can.

CHANGES IN FUNDING ALLOCATIONS

Mr. YATES. I think that I want to ask you about some of the things you moved around last year in different programs. Can you tell me why, after approval by the committee for certain allocations of funding—dance, for example—$147,000 was taken out of dance and put in another program? I do not know where that money went.

Design Arts lost $86,000; Expansion Arts gained $110,000; Folk Arts gained $118,000; inter-arts gained $124,000; literature lost $214,000; Media Arts gained $222,000; Museums lost $2,000; Music lost $36,000; Opera-musical theater lost $141,000; Theater lost $115,000; Visual Arts lost $34,000; state programs gained $193,000.

Why did you make these changes?

Mr. HODSOLL. Sir, it is a practice at the Arts Endowment to make shifts depending upon the number of applications that come in in any particular category or program or depending upon opportunities that arise in another program. As the law provides, we have the possibility of making shifts up to reprogramming limits, and that is what that reflects. There is nothing unusual about last year. If you would like, we could supply for the record specifically what caused those changes. I do not have them in my head one by one.

They are all relatively small shifts which our program directors develop in the course of the year. They come up and say that they would like to shift some money to this category versus that category, and in some cases we shift some money to another program.

Mr. YATES. Do I understand you correctly, does your program director for Dance, for example, come up to you and say, "I would like to shift $147,000 to another program"?

Mr. Hodsoll. No, she does not. What we do is—and I cannot remember exactly where that money was shifted to at that time—what we do is, is we set aside, as has been the custom in the past, a program reserve out of each of the programs for opportunities that occur in the course of the year. Those shifts largely reflect that, but they are all within reprogramming limits.

Mr. Yates. I do not think there is any doubt about that. I think perhaps we may have to change our reprogramming, depending, of course, on why these changes took place.

Mr. Hodsoll. I do not think you will find that these shifts are any more or less than shifts in prior years through anybody's administration.

Mr. Yates. I am just becoming aware of it.

Mr. Hodsoll. Oh, I see.

Mr. Yates. That is the reason that I am kind of disturbed by it. I wonder, for example, can you give me one reason for any of these shifts as to why you did it at any particular time?

For instance, let us take Dance. I am sure your Dance director will tell you they need the money.

Mr. Hodsoll. Oh, sure.

Mr. Yates. And your Opera director, I know, is crying for money. But then you have taken out $147,000 of Dance, and $147,000 would finance at least one tour, would it not, or one ballet or some choreography?

Mr. Hodsoll. I think it would. I think what you are seeing there is that a project of particular merit came up. It is not that we take it away from Dance because we do not like Dance. It is because a project came up in another field that had particular merit and the money was shifted for that purpose.

What I think——

Mr. Yates. What happens to Dance as a result of that? It loses its money.

Mr. Hodsoll. It loses a very small percentage of their money, that is true. But in managing a Federal agency, Mr. Chairman, you look at opportunities as you go through the field. Our budget is put together the year before, and you look at the applications. And I think the best way to deal with this is to supply you, for the record, detail on all of those numbers.

Mr. Yates. Well, I would be glad to receive it for the record, except that I will get it for the record in about two or three weeks and you will not be here at that time. I am trying to find out and get an example of why you did it.

For example, why did you give Bess Hawes more money in folk arts? You gave her an extra $118,000. What came up that prompted you to give her an additional $118,000?

Can Bess tell me?

Mr. Hodsoll. Maybe Bess can tell you. I am not prepared.

Mr. Yates. Well, she is shaking her head no. She did not know she received the money. Did you? [Laughter.]

Mr. Hodsoll. I think we also need to check the figures there.

Mr. Yates. Yes.

Mr. Hodsoll. Are those our figures? I am sure they are correct, but I am not prepared on the subject.

Mr. Yates. It happened in 1985, too.

Mr. Hodsoll. Oh, yes.

Mr. Yates. This was happening, as you will find out. I am trying to find out why you do it, because you come to us and you say "This is what we want for these programs. These are the sums of money we want for this program." And we agree with you. We say, "Sure, we think you have made out a case for this."

Now, why do you cut back?

Mr. Hodsoll. Well, all of the money still goes out for the arts, Mr. Chairman. It is not cutting back. One program or another benefits where the other loses—we do not put it into Administration or anything like that.

Can you help with some examples? And we will provide you a complete list after we get back.

Mr. Yates. Here is Opera-Musical Theater. Why did you take money out of Opera-Musical Theater?

Ms. Moore. If I understand you correctly, Mr. Chairman, you would point to the number on your chart in reference——

Mr. Yates. Here is Opera-Musical Theater. Now, let me point out, that is fiscal year 1985 that I read $163,000; 1986, Opera-Musical Theater, you lost $141,000.

Now, I have read in the paper that musical theater is kind of moribund at the present time. Are you helping that? Are you helping it decease?

Ms. Moore. Well, let me explain, just from a general sense, what we do. When the appropriation is made and we compare that to various plans within the Endowment we have made on certain initiatives and policies and balances between and among the various categories, we make some of these shifts to balance some of the projects and initiatives in categories that we have planned in a certain way at higher levels. So we stick with the basic appropriation, but try to adjust towards plans that are under way at any given time.

Also, for example, on state programs, one example of this to make it very vivid is that we have an initiative that is supported among three programs called the Dance, Inter-Arts States Initiative. It is a support program for dance that provides grants to state arts agencies, which in turn use that money to make grants to presenting organizations, who in turn use it to pay dancers' fees. By getting all these players involved, we help stimulate dance touring among the various participants.

So, for example, you see that some of the shifts here are reflective of the Dance and State Programs and Inter-Arts Program. You see those are among the highest shifts here in order to allow each of those groups to participate in that initiative. And so it is a question of balance among the three.

That would be one example, Mr. Chairman, of where there is a variance versus the appropriation, but it is supportive of an activity that is captured in the various three programs.

Mr. Hodsoll. If I may add, these changes are on the order of no more than one to two percent of the total. But we will be happy to provide you with a complete listing of what happened.

Mr. Yates. I take it you are going to do that. Except how do you go about this? How do you make that decision? You start with certain amounts of money allocated to Theater and Opera-Musical

Theater and Dance and Music and the other programs. How do you decide that you are going to take money out of one? Do you do that yourself?

BUDGET REALLOCATION AMONG PROGRAMS

Mr. **Hodsoll**. Well, ultimately I decide, but there is a process for all of these things.

Basically, there are two kinds of processes under this. One is that we set aside at the beginning of the year a small amount from each program as a reserve to be able to undertake any shifts that take place in the course of the year.

Now, in terms of applying to that reserve, program directors come up with projects that they think are very special, that do not sit within their current allocation for a category, or that do not sit within any particular category at the moment.

They come up, panels look at those projects, and they make recommendations for an amount of money coming out of the reserve. So that shifts probably most of the money that we are talking about here.

Similarly, the other process is that during the course of the year, particularly as one gets towards the end of the fiscal year, you have program directors—and this is within categories, so it would not show up here, but I might as well lay the whole process out for you—you have program directors recommending shifts among their categories because of the application load and what their panels have said with regard to, particular applications. So you have both of those things happening.

Mr. **Yates**. What are the guidelines? I suppose I ought to ask that. Sure, you are within the guidelines when you are within these amounts. How often can you do this?

For example, as I understand what you are telling us now, you can do it at the start of the year when you look at this thing, after the budget process; and you also look at it later in the year.

I take it these are the total amounts of the shifts that occurred in the course of the year.

Mr. **Hodsoll**. That is correct, and it is happening all through the year, depending on what comes out——

Mr. **Yates**. A lesser amount, you mean, than this total?

Mr. **Hodsoll**. Yes. Well, these are aggregates. It is all little amounts that aggregate up to this. We did not take—one thing I can assure you, and correct me if I am wrong—we did not take $147,000 from dance at the beginning of the year and say, hey, we are taking this away from you. We do not operate that way, I assure you.

Mr. **Yates**. How do you do it, then? This amounts to what, about $5,000, $10,000?

Mr. **Hodsoll**. That is also true. Kate Moore is reminding me. We round the numbers that come out to even numbers of $100,000 in order to make the projections on the books a little easier. That has some effect because that means you are rounding up from $50,000 and you are rounding down from $49,000.

Kate, do you want to speak to this a bit more. You are in the midst of it.

Ms. **Moore**. Sure. I do see your trouble here, Mr. Chairman, and it is comparing our beginning of the year of fiscal year 1986 allocation that is featured in the yellow book with the appropriation made by Congress. So I see what you are doing precisely.

And, indeed, as we begin the fiscal year, we look at the appropriation that has been made. We stick obviously very close to the appropriation, but there are projects or initiatives that have been in the pipeline that we want to attend to in the beginning of the year allocation. And, of course, when I say beginning of the year, it is a little bit in quotes because we had an appropriation in December of this year, already a couple of months into the fiscal year. We had already started taking to our panels some of the grant recommendations for fiscal year 1986 starting as early as March on a planning basis. So that when the fiscal year begins, we are in a position to get that money out to the grantees.

Mr. **Yates**. Are you saying that as this hearing commences you have things in the pipeline that will alter the amounts that you tell us you want for each of the categories?

Ms. **Moore**. Are you now talking about fiscal year 1987?

Mr. **Yates**. Yes.

Mr. **Hodsoll**. Not yet, but starting in the May council, yes.

Mr. **Yates**. What does she mean, then, when she says that there are things in the pipeline?

Ms. **Moore**. Well, I was talking about fiscal year 1986.

Mr. **Hodsoll**. Yes, but the same thing is true of 1987, too.

Mr. **Yates**. Do you not have a carryover? You mean everything is terminated year by year?

Mr. **Hodsoll**. Well, let me sort of explain our process, if I may, sir.

Mr. **Yates**. Okay.

Mr. **Hodsoll**. Because I think I have to go back a step here, regardless of these numbers.

Basically, we start bringing applications and grants of the next fiscal year beginning in our May council of the preceding fiscal year. It is subject to appropriations. That has been the pattern at the Endowment, as far as I know, from day one.

Those go through the council. They begin to set up a partial expenditure of what we have. Now, obviously no checks go out until the appropriations are in, but in order to spread out our appropriations and help arts institutions and artists over the course of the actual fiscal year, you have to have a pipeline, you have to have the lead time for these things to come forward. So that is what is happening.

So when we get finally the appropriation, we are, in terms of our internal process, maybe a third to a half away through the fiscal year already, and so there are minor shifts that result from that.

There are also the kinds of shifts that I mentioned with regard to special projects that come in and that seem very worthwhile to do. But obviously, this is within the reprogramming limits. If I could just for a moment, I think you need some kind of reprogramming limit. We would be happy, incidentally, to consult with the Congress on this as we go. That is not an issue at all. But you do have these minor fluctuations as you go through. I think the maximum we could reprogram in any program is—$200,000?

Ms. Moore. $250,000 or ten percent.

Mr. Hodsoll. Or ten percent.

Ms. Moore. Whichever is less.

Mr. Yates. Does somebody like Mr. Smith get an opportunity to protest to you if you are taking away his money?

Mr. Hodsoll. Absolutely.

Mr. Yates. I se[illegible] And how long is it before you overrule him? [Laughter.]

Mr. Hodsoll. It is a little more informal than that. This is going on daily.

How long is it before I overrule him? It varies. If it is a meritorious request, it takes a lot of time. If it is fairly unmeritorious, it does not take much time.

Now, to be sure, I am sitting and deciding ultimately what is meritorious, but, you know, there we are.

Mr. Yates. And poor Mr. Smith has to say no to a couple of opera people or musical people?

Mr. Hodsoll. I do not think it is quite as drastic as that. I think we had better supply it for the record in all of these cases, sir. I am sorry. I just do not have it on the top of my head.

Mr. Yates. All right.

[The information follows:]

Explanations for shifts within appropriated Program monies.

Changes from the exact amounts appropriated take place for a number of reasons. In FY 86, these shifts totaled slightly less than 1.3 percent of the agency's Program funds. Brief explanations of why these changes occur, and examples of each, follow. In all cases of allocation changes, however, be assured that we are mindful of the prescribed reprogramming limits.

In dollar terms, most shifts are made so that the agency can maintain priorities and undertake (or continue) program initiatives. In FY 86, the increases within the Expansion Arts and Media Arts Programs were for the Community Foundation Initiative and children's television series on the arts, respectively. The decrease in the Dance Program is partially due to its lessened contribution to the Dance/Inter-Arts/State Programs (D/I/S) presenting/touring initiative. The increase in State Programs reflects its participation as a funding partner in the D/I/S initiative for the first time.

The second most important use we make of these shifts is to "smooth out" between fiscal years program and/or category allocations. The increases you see in the Folk Arts and Inter-Arts Programs were designed to lessen the decreases which would otherwise have been sustained by folk arts organizations and presenting organizations vs. actual FY 85 obligations. Although the Opera-Musical Theater and Theater Programs show decreases from amounts appropriated in FY 86, both remain above amounts spent in FY 85.

The reduction in Literature occurred for two reasons. First, fellowship panels, based solely on criteria of artistic quality, recommended fewer grants than available funds would have made possible. Second, due to some confusion about the exact amount that might eventually become available, the literary publishing panel, meeting while the agency was still operating under a continuing resolution, recommended grants totaling an amount lower than available funding. Due to a clerical error this was not realized. There was no way, given administrative budget constraints, to reconvene the panel; hence, the funds remained unspent. Even though some of the "surplus" funds were shifted to meet demand in another category (Audience Development) within the Literature Program, nonetheless there remain funds available to meet other Program needs. This series of circumstances is highly unusual and unlikely to recur.

The most frequent shifts vs. amounts appropriated, but one not involving substantial amounts of money, are to round allocations to even $100,000 levels. Thus, the shifts to (or from) the Design Arts, Museum, Music, Visual Arts, Artists in Education, Education, and Locals Test Programs.

During the year shifts will continue to take place, again for a number of reasons. In dollar terms, the primary reasons are 1) to relieve pressure on funding categories which experienced greater than anticipated competition and for which the established allocation was inadequate to appropriately fund the highest quality applicants, and 2) to take advantage of "targets of opportunity" that did not get built into the ongoing budget process. Examples of relieving pressure in FY 85 were increases to Theater's Mime Fellowships category, to Museum's Special Exhibitions category during the accelerated transition to forward funding, and to Expansion Arts to add new Community Foundations. "Targets of opportunity" included support for the International PEN Conference, the first in the United States since 1966 (Literature Program); the Washington Ballet's tour of China (Dance Program); the Martin Luther King memorial sculpture competition (Visual Arts Program); the addition of "Gospel at Colonus" to the Great Performances series (Media Arts Program); and for special constituencies model projects funded by the Inter-Arts, Media Arts and Museum Programs.

Another extremely important use, for which small amounts of money can show immediate and valuable results, is to respond to emergency requests. In FY 84-86, we made grants following fires to the Alabama Shakespeare Festival (Anniston, AL), the Attic Theatre (Detroit, MI), the Old Globe Theatre (San Diego, CA), the New Playwrights' Theatre (Washington, DC), and the New York City Opera; to replace video tape equipment stolen from the Dance Theatre of Harlem; and to help salvage a dance series that was about to fall through because of the bankruptcy of the original presenting organization in Seattle, WA. In rare cases, we make emergency grants to help cultural institutions of particular merit through unusually threatening fiscal situations.

Finally, we use shifts to make certain the all Program monies appropriated to the Arts Endowment are obligated. Because of the latitude we have to make modest transfers -- within reprogramming limits -- among programs. We have for each of the past two fiscal years left unobligated less than one dollar of Program funds.

	FY 1986 @ $165,661		
	(Approp)	(Alloc)	Alloc vs. Approp
	$	$	$
Dance	8,847	8,700	(147)
Design Arts	4,286	4,200	(86)
Expansion Arts	6,673	6,783	110
Folk Arts	2,982	3,100	118
Inter-Arts	3,976	4,100	124
Literature	5,114	4,900	(214)
Media Arts	11,993	12,215	222
Museums	11,302	11,300	(2)
Music	12,236	12,200	(36)
Opera-Musical Theater	4,241	4,100	(141)
Theater	10,815	10,700	(115)
Visual Arts	6,234	6,200	(34)
(Subtotal)	88,699	88,498	(201)
Artists in Education	5,309	5,300	(9)
Education	97	100	3
Locals Test	2,187	2,200	13
State Programs	24,457	24,650	193
(Subtotal)	32,050	32,250	200
Advancement	199	200	1
Challenge	0	0	0
(Subtotal)	199	200	1
Policy, Planning & Research	975	974	(1)
Administration	14,514	14,514	(0)
(Subtotal)	15,489	15,489	(1)
Indefinite Funds	29,224	29,224	0
Agency Total	165,661	165,661	0

Mr. **Yates**. Tell us about the reserve which you establish. You say you establish a reserve, as I understood it, for each of these categories.

ESTABLISHMENT OF FUNDING RESERVE

Mr. **Hodsoll**. What we do is at the beginning of the fiscal year is not allocate internally the entire amount. We reserve one percent of the program budget for the purposes that I described, for the extraordinary project that comes in, that kind of thing. That is then reallocated out to a wide variety of programs in the course of the year based on requests from the programs and very occasionally something comes from the top down, but that then goes into a program. Sometimes I will get a letter, for example, in the mail describing a project that sounds good to me, and we will go to the program, and the staff will give us advice on whether or not they think it is a good, extraordinary project.

Mr. **Yates**. How long do you keep your reserve as a reserve?

Mr. **Hodsoll**. It diminishes throughout the year. It does not all lump at the end.

Mr. **Yates**. How much is placed in reserve?

Mr. **Hodsoll**. It is one percent of the program account. But equally from each of the programs with rounding. I mean, we do not go down to the penny on it.

Mr. **Yates**. All right.

Let us turn now to the program directors. Shall we start with dance?

DANCE PROGRAM

Mr. **Hodsoll**. Kathy Brown.

Mr. **Yates**. Yes. Dance is the first one down here.

Ms. Brown, do you want to come up here and tell us about the state of the dance? Did you have a good year? Are you having a good year? Will you have as good a year next year?

Ms. **Brown**. I certainly hope so. I can report that——

Mr. **Yates**. Can you with $2.5 million less have a good year in the total budget for the Endowment? How is that? Does $3 million mean anything in terms of fostering the dance?

Ms. **Brown**. I think that the reduction will be perhaps painful and difficult for some. We think, though, with the way that we have structured our funding, and how we have planned to use it next year, that we will still be able to effectively support the best arts institutions and individual choreographers in the country.

Mr. **Yates**. What does that mean, you will be able to effectively support the best arts institutions in the country? Who does that and what does that mean? Ballet West and the City Ballet of New York or what?

Ms. **Brown**. It means all of them. It——

Mr. **Yates**. What happens to the little ballet companies?

Ms. **Brown**. Well, our panels generally do not look at size when they are funding institutions, but look at what they consider to be the artistic quality of the organization at the time that the organization is applying.

Mr. YATES. In other words, the lesser companies will fall by the wayside this next year.

Ms. BROWN. I think perhaps the competition will be stiffer.

Mr. YATES. And how many companies will that encompass do you think?

Ms. BROWN. My guess is that it will—depending——

Mr. YATES. First, how many companies do you support now this current year?

Ms. BROWN. About 117, I think is what we have in 1986.

Mr. YATES. 117. How many do you think you will be able to support next year?

Ms. BROWN. I think it is probably going to be around a hundred.

Mr. YATES. So there will be 17 companies. Do you know who they are? Have you made up your mind as to which are the most excellent?

Ms. BROWN. No. That is something that the panel really looks at each time they review applications.

Mr. YATES. And you do not determine that?

Ms. BROWN. No.

Mr. YATES. The panels determine who shall live and who shall die, right?

Ms. BROWN. They determine who gets the grant and who does not.

Mr. YATES. Okay. I will accept your amendment.

All right. Tell us about what you are doing this year.

Ms. BROWN. Well, there are actually, I think, some very exciting things happening in dance this year, artistically and managerially as well. There have been some very exciting new productions this year. I think you read in the submission about the Ballet West productions this year which was quite a——

Mr. YATES. Do you mean the Danish ballet?

Ms. BROWN. Yes. It was quite an exciting project.

There have been other similar ones. The National Choreography project, which we are funding in cooperation with the Rockefeller Foundation, and the Exxon Foundation has also produced a number of very exciting collaborations between choreographers such as Merce Cunningham and the Pennsylvania Ballet and Mark Morris and the Boston Ballet and so forth. Even a ballet choreographer has worked with a modern company. Heinz Poll from the Ohio Ballet did a piece for the——

Mr. YATES. The Ohio Ballet has a modern company?

Ms. BROWN. No, I am sorry. Their choreographer collaborated with a modern dance company in New York, the Jośe Limón company, to produce a new work.

Also, there are a couple of interesting choreography workshops.

Mr. YATES. Which brought the level up to which? The Ohio or New York?

Ms. BROWN. I think that it was the best of both.

Mr. YATES. I see. Okay.

Mr. REGULA. Very diplomatic. [Laughter.]

Mr. YATES. All right. What else do you want to tell us?

Ms. BROWN. There are also a couple of very interesting choreography workshops going on, one in the Sundance Institute out in

Utah, mostly for modern choreographers who can go and simply work there.

Mr. **Yates**. I thought Sundance was a media development.

Ms. **Brown**. It is as well. They have developed a choreographic institute along the same lines as the media project.

And there's also a similar program for ballet choreographers in Pennsylvania at Carlisle, Pennsylvania, which is giving an opportunity for ballet choreographers to develop their craft.

Mr. **Yates**. Are they likely to survive these cuts?

Ms. **Brown**. I think that they will survive. I do not think that these cuts will endanger anyone's survival, but I think that the companies will have to work harder.

Mr. **Yates**. Well, these cuts raise an interesting point, assuming the cuts go through.

We do not know that you will get $144 million because there is speculation in some instances founded on fact, in my opinion, that the figures for the deficit may be greater than we anticipate at the present time. We may be called upon to make additional cuts in order to meet the levels of Gramm-Rudman.

If that happens, I assume there will be more casualties, but the question is raised, and I suppose this is one for Mr. Hodsoll and for your panels, really. But I think it is a matter of policy, maybe for you and for the board, for the council, Mr. Hodsoll.

DISTRIBUTION OF FUNDING CUTS TO PROGRAMS

Just what do you do with these cuts? Do you have a pro rata cutting of all the companies? Or do you pick out the excellent ones, the ones you consider to be the most excellent and say, "We must foster these and make sure that these are kept alive," and it is competition and those that are not up to the standard will have to fall by the wayside? Have you and the council considered this yet?

Mr. **Hodsoll**. Yes, sir. In fact, we have been considering it regularly for several years now, because we have been in similar positions.

Basically, we start with the recommendations program by program as to how they feel about this. In some programs, the decision is essentially to have a pro rata cutting but retain the list. Here we keep the universe about the same, bearing in mind that at the bottom, you have what we call minimum grants, and those do not get cut. But it means more of the cuts are coming from the top end of the list than the bottom end of the list. That happens particularly in the performing arts.

In other programs like museums, they tend to cut off projects because the panel feels it is more important to fund a few of the museums projects at close to request levels than to have shavings across the board.

In dance, they did a little bit of each last year. What essentially happens here is that we ask for the panel's recommendations, because when the panels go in, they make recommendations at different levels, we know that there is budget level uncertainty as we go through the year, and we do not want to have to recall the panels or get them on the phone or whatever. Just as a management principle, we do that. And basically they make recommendations to us.

To be frank with you, I cannot think of any time that we have overturned a panel recommendation on how to allocate that.

It is a very important issue you raise.

Mr. **Yates**. It is an important issue. I take it from what you say you and the council have touched on it, and there is no set rule.

Mr. **Hodsoll**. There is no set rule.

Mr. **Yates**. You propose to attack this item by item or case by case.

Mr. **Hodsoll**. That is absolutely correct. Maybe you are right. Maybe we should raise it as a policy discussion at the next council meeting. You know, it is——

Mr. **Yates**. It is something that I think perhaps you might even take up with the arts organizations throughout the country and say, look, you have a fact of life here. We can make the decision. We think, however, that we ought to be consulting with you on this and see what your input is on this.

Mr. **Hodsoll**. I am sorry. The panels, which do reflect the fields, are the ones that are making the recommendations now. So in that sense, there is consultation with the fields through our panels.

Whether we should have a broader consultation with the fields, we are entirely open to that. We have regular meetings with representatives of all the fields just before our Council meetings now. And the way that you just phrased that particular issue has not come up yet, but maybe it ought to.

We have had discussions about, for example, the relationship between the Challenge Program and the general program.

Mr. **Yates**. Well, it is a fact of life, which may or may not come to pass. It all depends on what the Congress does, because in the past, at least, the Congress has been able to provide funds additional to the recommendations by the administration. Perhaps that will take place this time, too.

At any rate, one of the things that we will have to face as well, and we would like to know in the event that cuts take place how you propose to handle them. That is the reason for my question.

Interestingly, I asked someone in the music field what he thought ought to take place, and he thought there ought to be a pro rata cut, at least in the music field, because the big symphonies would survive a cut, even the most excellent of the symphonies would survive a cut. But he said if you use the standard of providing the funds to the major symphonies, you are going to have so many casualties as a result of that, that he did not think it was a good thing for the whole music group.

So it is a very difficult question, but it is one that has to be faced.

Mr. **Hodsoll**. I might say that our panel reflects both the music field, and your interlocutor in the music field as of this point in time.

Mr. **Yates**. Are we finished with dance? Have you tiptoed in and out?

Mr. Regula.

DANCERS' CAREER TRANSITION

Mr. **Regula**. One question.

I note that a grant was awarded to begin a special study on dancers' career transition. I am curious as to what that is.

Ms. **Brown**. This is a special program in the dance field. Dancers' careers are shortened by limitations on their physical abilities. Therefore, they have been training all their lives to do nothing but dance. Then, suddenly, at a relatively young age, they are faced with not having a career and having to come up with something else.

It is a very pressing issue in the field right now. We awarded a grant to a woman who is a career consultant. She is taking a look at the pattern of former dancers and what they are doing now, how they got there, what would have helped them along the way had they done, perhaps, some planning in advance.

We are hoping to have a report out of that project this spring or summer which will give us a place to start from, to take a look at what we can do about the problem.

Mr. **Regula**. How much is your grant?

Ms. **Brown**. The grant was for about $15,000 in 1985. And we amended it for $3,200 in 1986.

Mr. **Regula**. As a practical matter, this would be a problem for many types of activities, athletics comes to mind, and even in many others. I think I read the other day that the average person will change careers three or four times in a lifetime.

Taking the Nation as a whole, is there something unique about the dance as opposed to many other occupations or professions?

Ms. **Brown**. Well, first of all, being a dancer is not terribly remunerative as some other fields perhaps might be. And, secondly, when you train as a dancer, you really do very little else. There is not a lot of time for other studies. Most ballet dancers do not finish high school except through, perhaps, a correspondence course. They really have very little else to fall back on.

Mr. **Hodsoll**. It is a real problem I think.

Mr. **Regula**. I can understand that.

In the Soviet Union, there is a ballet school where they start these kids at about six and keep weeding them out until they get up to the senior high years. So it is a highly selective process. I am curious. I do not know what they do. They must have the same problem with physical limitations at some point.

At what ages do you reach the peak or you begin to decline in the dance field? Any particular average?

Ms. **Brown**. Generally speaking, ballet dancers in their late twenties begin thinking about stopping dancing. Usually modern dancers can perhaps go along for a little longer, depending on the type of technique that they are dancing.

But I would say that estimate is on the late end.

Mr. **Yates**. Martha Graham quit it very lately.

Ms. **Brown**. Yes, she did.

Mr. **Hodsoll**. She is very unusual.

Ms. **Brown**. Very unusual.

Mr. **Regula**. Quite a few go into instruction?

Ms. **Brown**. Some of them. Some of them in choreography.

Mr. **Regula**. Thank you, Mr. Chairman.

Mr. **Yates**. Okay.

BEST COPY AVAILABLE

DANCE ACTIVITIES IN FISCAL YEAR 1987

Then I take it you do not know yet what you are going to do, do you, for 1987? You are just guessing?

Ms. **Brown**. Well, we——

Mr. **Yates**. Because you do not know, as I understand.

Have you made up your mind yet as to what you are going to do in the field of dance assuming that your budget is approved and you are going to have to cut $3 million from dance? Do you know how you are going to make the cut?

Mr. **Hodsoll**. We know how we propose to allocate the money. And that, indeed, is in our congressional budget submission, sir. Among the categories in the Dance Program.

However, let us take dance companies, which is the biggest single category. The panel will come in and they will be asked to look at the applicants this year and allocate the money at that level. They will also be asked to allocate monies at a higher level as well in case something else should happen. So that way we get their advice across the board.

Mr. **Yates**. If you were at level 3 instead of level 2?

Mr. **Hodsoll**. We would do it at current level, in other words, at the 1986 level and at the President's submitted level. That is, at the President's level and at the level of the previous year, to get a range.

Is that not correct? I think I have got it straightened out.

Mr. **Yates**. So that would be at about $144 million as opposed to $147 million?

Mr. **Hodsoll**. Something like that, sir.

Mr. **Yates**. Okay. All right.

So then actually what you are saying, in addition to what you said before, is that the panels make the recommendations as to who gets what?

Mr. **Hodsoll**. Yes. Absolutely.

Mr. **Yates**. Will you have as many applicants for the grants as you had this year?

Ms. **Brown**. I expect so, yes.

Mr. **Yates**. But not as many grants?

Ms. **Brown**. Right.

Mr. **Yates**. Okay.

Is there anything else you want to tell Mr. Regula on this?

Ms. **Brown**. I do not think so.

Mr. **Yates**. Okay.

Thank you, Ms. Brown.

Ms. **Brown**. Thank you.

Mr. **Yates**. Design arts, is Ms. Chatfield-Taylor here?

DESIGN ARTS PROGRAM

Ms. **Chatfield-Taylor**. Beg your pardon, Mr. Chairman?

Mr. **Yates**. You move from $4.2 million in fiscal year 1986 to $3.8 million in 1987.

Are you hurt by the cut?

Ms. **Chatfield-Taylor**. I believe, Mr. Chairman, that again it is a question of how the panel decides to deal with it. But we will probably make fewer grants, and they will probably be slightly smaller.

Mr. **Yates**. Will you have as many applicants?

Ms. **Chatfield-Taylor**. I believe so.

Mr. **Yates**. Will you have more?

Ms. **Chatfield-Taylor**. There is no telling. Usually there is a slight rise. Also, we have changed our guidelines slightly and I believe that that may mean we will get more applications than we have now. It is hard to tell in the first year.

Mr. **Yates**. Do you think that the Endowment will—well, I suppose I should have asked this question of Mr. Hodsoll.

Will the level at $144 million as opposed to what they have been over the last few years deter people from asking for grants, do you think? Will your workload diminish?

Mr. **Hodsoll**. That is awfully hard to predict.

When there was talk earlier on about possibly even eliminating the Arts Endowment, there was no question that in 1981, 1982, that period, applications did decrease. Applications have been coming back up in the more recent years, but at lower levels than they were, let us say, back in the late seventies when our budget was going up at a more regular clip.

I think that if our budget remains at $144 million, and does not go below that, I would certainly be very much against it going below that, then I do not think it will have a material impact on our applications across the board. That is my guess.

Mr. **Yates**. All right.

Tell us what great things happened in the field of design arts in 1986, or are happening in the field?

CHANGES IN DESIGN GUIDELINES

Ms. **Chatfield-Taylor**. Well, Mr. Chairman, we have, I should say, evolved our guidelines into a new set of guidelines where we have consolidated the four former grant categories and made one big one.

The four former grant categories were called Design Demonstration, Design Communication, Design Research and Exploration, and Design Fellowships. We now have one large grant category called Design Advancement, which we look forward to working with because we think this is an appropriate new configuration. And actually, we are very excited to see what the result will be.

We decided to do that because, historically, the grant categories for the Design Arts Program have evolved over the years depending on what is going on in the field. And now seems like a good time to do it because there is so much collaboration going on within the design field at the moment that crosses over boundaries within the design disciplines.

So our ambition was to continue the work of the other grant categories, but to also make the program hospitable to this kind of creative birth going on among designers where you have——

Mr. **Yates**. When we talk of designers, are we talking about urban designers or are we talking about product designers?

Ms. **Chatfield-Taylor**. We are talking about, really, the whole range—architects, landscape architects, urban designers, preservationists, planners, industrial designers, interior designers, graphic designers.

Mr. **Yates**. You have got a big field then, have you not?

Ms. **Chatfield-Taylor**. We do indeed.

The nice thing about it is that they all sort of link. I mean the whole subject is design. So you could not really leave any of those out.

Mr. **Yates**. Okay.

Then you do not think you will be hurt significantly?

EFFECTS OF CUTS ON DESIGN PROGRAM

Ms. **Chatfield-Taylor**. I hope not, Mr. Chairman.

Mr. **Yates**. How many applicants did you have this year?

Ms. **Chatfield-Taylor**. The figures here show a number at about 935 applicants for grants.

Mr. **Yates**. How many grants did you make?

Ms. **Chatfield-Taylor**. 153. We are not quite through with this year's grants, but we are anticipating this number.

Mr. **Yates**. You have lots of competition then, do you not?

Ms. **Chatfield-Taylor**. We do. And the quality each year tends to be higher than it was the year before. So that makes the competition even stiffer, actually.

Mr. **Yates**. And Mr. Hodsoll has not been very generous with you.

Ms. **Chatfield-Taylor**. I am sure he is doing his best, Mr. Chairman.

Mr. **Hodsoll**. Thank you very much. [Laughter.]

Mr. **Yates**. OK.

Well, now you have got 153 grants out of 935 applications and you are still not through.

Do you have any money left?

Ms. **Chatfield-Taylor**. We have a grant panel meeting starting, in fact tomorrow. That is the last meeting of our Design Communication Panel, which is always fascinating, and I am looking forward to that one tomorrow. That is the last meeting for that category.

You never know exactly how the panel is going to handle the funds they have. As I say, sometimes they will cut the budget slightly. The array of applications that comes in inches over into other frontiers in the question of design. The whole business of design is in a sense the underlying consideration for a lot of other art funds. Design awareness is becoming more and more important.

Mr. **Yates**. So what you are saying is it is going to be more important every year?

Ms. **Chatfield-Taylor**. I do not think it is a question of design becoming more important. I think peoples' awareness of the role design plays is becoming greater. For example——

Mr. **Yates**. Except Mr. Hodsoll. [Laughter.]

Ms. **Chatfield-Taylor**. I repeat, Mr. Chairman, he is doing his best.

Mr. **Yates**. Do you think we ought to give him more money so he can give you more?

PROPOSED DESIGN-VISUAL ARTS COLLABORATION

Ms. **Chatfield-Taylor.** Well, the nice thing that Mr. Hodsoll is doing is letting the programs try to get together on some of the situations. For example, this year we are looking at the possibility of a joint venture with the Visual Arts Program through which we attempt to address something that is going on in the field that seems to be very important. That is a collaboration among certain kinds of designers and certain kinds of visual artists, notably environmental sculptors.

Mr. **Yates.** It sounds like an indoor arts program.

Ms. **Chatfield-Taylor.** Not exactly. It involves certain kinds of designers, mostly landscape designers, architects, planners and preservationists, and certain kinds of visual artists, notably environmental sculptors. I am sure Richard Andrews will talk about that when you talk——

Mr. **Yates.** How does that affect the number of applications, the collaboration in two fields?

Ms. **Chatfield-Taylor.** We will be entertaining it in the new Design Advancement category this year. This is irrepressible. It is something going on in the field. So this is one of the reasons we have amended the guidelines as we did so that we could receive applications that reflect the collaboration that is going on in the fields.

Next year in 1987, we propose to have a joint budget with visual arts which will enable us, in a small way, to do a couple of demonstration projects.

ESTIMATED NUMBER OF FY '87 DESIGN GRANTS

Mr. **Yates.** So, up to now, you have 153 approvals this year. Your new budget will permit how many approvals, do you think?

Ms. **Chatfield-Taylor.** We have estimated 156. I think that partly reflects the fact that, because we have one big grant category now, there is a little more leeway in terms of the numbers of grants. We can award a few smaller ones. That is our best guess at what would happen. We, of course, do not know exactly.

Mr. **Yates.** Okay. Thank you.

Ms. **Chatfield-Taylor.** Do you want to hear about our Cities Initiative, Mr. Chairman?

Mr. **Yates.** Well, sure.

Ms. **Chatfield-Taylor.** I just thought it would interest you particularly because——

Mr. **Yates.** What is the Cities Initiative?

DESIGN ARTS CITIES INITIATIVE

Ms. **Chatfield-Taylor.** It is a national theme that overlays the Design Advancement category. The idea is to make a particular issue of all the concern about the design of cities that seems to be on the minds of so many designers at the moment. I just wanted to let you know that this is a feature of what we are doing in 1987.

Mr. **Yates.** Are you working on this with HUD?

Ms. **Chatfield-Taylor.** We conceive this to be slightly different from what HUD is doing. HUD builds it and produces it, but we are trying to highlight the aesthetic and design quality of that which is being produced. Where people want help is in visualizing the design of the project before it is built so the project can be refined and made as good as it possibly can be.

Mr. **Hodsoll**. All of that is on a much broader basis than just the HUD construction projects.

Mr. **Yates**. OK.

Ms. **Chatfield-Taylor**. Thank you, Mr. Chairman.

Mr. **Yates**. Thank you.

All right. Now we have Expansion Arts.

EXPANSION ARTS PROGRAM

Hi. Glad to see you back, Mr. Spellman. I see that you are a favorite of Mr. Hodsoll's. You get money from him.

It is a contract again. You got an extra $110,000 from him according to this. Did you know you got it?

Mr. **Spellman**. Yes, sir, I did.

Mr. **Yates**. What did you get it for?

Mr. **Spellman**. Well, we are one of the programs that has a hot new idea that Mr. Hodsoll has recognized. [Laughter.]

Mr. **Yates**. Tell us about your hot new idea. [Laughter.]

COMMUNITY FOUNDATION INITIATIVE

Mr. **Spellman**. Well, we have not gone quite that far. We have our Community Foundation Initiative, which is now going into its third year. This is indeed a program that we take a great amount of pride in, because it is affecting funding nationally on the private side. And it is also bringing into collaboration public and private funds for the arts.

It was a hard sell, of course, in a time of budgetary uncertainty for our agency. But Mr. Hodsoll did recognize that this was an important initiative, that it was appropriate for these times in a lot of ways, and that he would have to make the resources available for us.

Mr. **Yates**. Why is this a new idea? I would have thought that over the years you had been working with community foundations for a long time in order to work together and provide the extra funds you need for your program.

Mr. **Spellman**. In fact, the initiative is a discreet programmatic effort, which has just concluded its second year of granting and is now going into its third year. It requires an increase in the budget each year because it involves a four-year commitment with these community foundations. We would like to bring in some new ones each year and then help them achieve a budgetary level that would maintain them and then roll over after that at a fixed level. So support does have to grow each year.

Mr. **Yates**. Well, what are you doing in the field of Expansion Arts? Now that you have captured Mr. Hodsoll and the community foundations, what are you doing?

Mr. **Spellman**. Well, we are doing several things, Mr. Yates. We are, on the one hand, trying to secure our flagship organizations, as many of the other programs would say.

Mr. **Yates**. What do you mean by a flagship organization?

DEVELOPMENT OF EXPANSION ARTS ORGANIZATIONS

Mr. Spellman. Well, there are basically three levels of entry for the Expansion Arts organization. There was a settlement house movement at the turn of the century which gave birth to Hull House, for example. Many organizations came to the field at that point. Then there was the WPA.

Then there was the 1960's, when the arts field grew, as you know, exponentially across the country. The Expansion Arts field was one of those that grew during the 1960's coincidentally with the establishment of the Arts Endowment.

Of those, there are a number which have, over the years, evolved to a point where they are approaching institutional status. That is to say, these organizations can be looked at in terms of their capacity to survive their founder, to have some kind of longevity, to have——

Mr. Yates. Can you give me an example of one?

Mr. Spellman. Oh, sure.

I would say the Manchester Craftsman's Guild in Pittsburgh, for example, is an organization which started with us, started in the field in about 1964. It has now grown to the point where it has just built a $5 million building. They are going to have that mortgage free, and they are now about to buy the industrial park that is contiguous to it. They will have the principal theater space for the City of Pittsburgh that is in the area of 450 or so seats range. They paid off their Challenge Grant within two years. And they at the same time have become one of the principal crafts and photography centers in the region. I would cite the Studio Museum in Harlem, which is a place that anyone who is concerned with contemporary visual arts in America must see because it shows such quality and such innovation within the field of visual arts that it is a leader in that field.

Mr. Yates. Why do you need it in your field instead of the field of visual arts?

Mr. Spellman. Well, the field of visual arts also recognizes it. But still, the Studio Museum in Harlem, as most of our organizations are, is a bit more than a place committed simply to a discipline because it also is committed to its community. In other words, it will have training programs for young people in Harlem in addition to showing works in the visual arts. It will provide a certain measure of career development for emerging professional artists. That kind of activity is peculiar to the Expansion Arts field.

To give you a more lucid example, I would cite the Dance Theater of Harlem, which started with a school. And then after the school had been able to train the dancers which formed this excellent company, which is now one of the top five ballet companies in the country, then the ballet company was supported through the Dance Program. However, the Endowment would not be able to support the school within the Dance Program because of the nature of its training activities, so the school would remain an Expansion Arts organization.

Mr. Yates. Is a school in your format?

Mr. Spellman. Oh, yes, it is.

So Expansion Arts funds a school, the Dance Program funds its dance company.

Mr. **Yates**. Did the dance company come out of your school?

Mr. **Spellman**. The dance company came out of the school at the Dance Theater of Harlem, yes.

Just as the American Ballet Theater came out of that school, it is how you do it.

Mr. **Yates**. You did not have anything to do with that one?

Mr. **Spellman**. No, sir.

Mr. **Yates**. All right.

How does this cut affect you?

Mr. **Spellman**. The cut. It means that we have to do a couple of things.

First of all, there are some things we hope to do at any budgetary level. We hope to provide increased funding to our major organizations. We hope to do some talent scouting to bring in the best of the new blood in the field into the agency. And those things we will continue to do.

Mr. **Yates**. What does that mean when you say bring in the best of new blood?

Mr. **Spellman**. Well, the movement in our field, as I think in many others, starts basically in the major cities on the two coasts where there are considerable resources. And, only afterwards do they spread around to other parts of the country. So that we are now getting out to the South, for example, we are starting to get back professional black theater in Winston-Salem, North Carolina, that did not exist before.

We want to continue to recognize these new organizations as they reach the level——

Mr. **Yates**. Why do you do it instead of theater doing it?

Mr. **Spellman**. Well, again, these organizations, sir, reach a professional standard, but they do not necessarily have all of the other features that go with Theater Program grantees. These groups need a certain kind of central focus within the agency for minority organizations. There are problems they have that other organizations do not have, such as resource identification. There is also a special identity in each one. It is still a reality in our country that Expansion Arts organizations are often multi-disciplinary and identify across discipline boundaries sort of horizontally, as opposed to the general, single-discipline, vertical organization of the other programs in the agency and of society as a whole.

So it requires someone who is expert in what is happening in these minority communities—expert in what their assets and disadvantages are—expert in the different cultural expressions that occur. Expansion Arts organizations go about developing their arts in relation to their communities' own particular cultural features. If someone does not recognize that, and cannot recognize what it means, there can be a failure at an early stage, and the organization often can get lost.

EFFECTS OF CUTS ON EXPANSION ARTS PROGRAM

Mr. **Yates**. Have you made up your mind as to what to do if the cuts are going to continue? Do you fund the same people you have been funding and just cut them back pro rata?

Mr. **Spellman**. We are going to do two things. We are going to still continue to support the best of the organizations that are approaching us, and we are still going to continue to try to identify the best of the new developing groups. We are going to scout out in broad areas.

What we are going to do is become more competitive there in the middle range. The middle will be a good deal more competitive than it has been.

Mr. **Yates**. Unless you are hurt by the cut.

Mr. **Spellman**. Well, we could be affected——

Mr. **Yates**. You go down from $6,783,000 to $5,450,000.

Mr. **Spellman**. On one hand, much of that means that we will not be moving the program into more of a forward funding mode as rapidly as we had been. That is where we are showing the effects of the cuts. And so the field will not feel it as much.

Mr. **Yates**. Well, is there a big enough field to continue the rapid expansion?

Mr. **Spellman**. Oh, no question. We are still able to make the grants, sir.

Mr. **Yates**. I mean you had a certain momentum, is what I understand you to be saying, that you were moving through the country really in developing the field of expansion arts.

Now, you are going to be checked, are you not, by the cuts?

Mr. **Spellman**. Well, again it is a yes and no answer, sir. Again we will do the principal things we have to do. We will be again more competitive with organizations that are good enough to get a grant, but maybe not better than some other organizations that are coming in. So that is what we will be—we will be more competitive in our program.

Mr. **Yates**. Okay.

Mr. **Hodsoll**. Can I add just one minor thing to what A.B. said?

Mr. **Yates**. Sure.

COMMUNITY FOUNDATION INITIATIVE

Mr. **Hodsoll**. This program does not have just minority aspect to it, though those are very important aspects. A.B.'s Community Foundation Initiative also works in rural areas where there may not be very many minorities.

In North Dakota and New Hampshire, for example, there are statewide efforts to bring in the private sector to help smaller towns develop their arts in areas where the major groups may not regularly go.

I think the initiative has been quite successful, and we are rather pleased with the leveraging aspects of it. But I wanted to add the rural aspects to the minority aspects, if I could.

Mr. **Spellman**. Let me just state—in the interests of accuracy—that North Dakota is an applicant this year, New Hampshire is a grantee.

Mr. **Hodsoll**. Excuse me. Thank you.

Mr. **Yates**. North Dakota is an applicant?

Mr. **Spellman**. Yes. They are applying for the program this year. Just to make sure that the record was absolutely correct.

Mr. **Yates**. Where in North Dakota are they applying?

Mr. **Spellman**. The North Dakota Community Foundation is applying to our Community Foundation Initiative.

Mr. **Yates**. Oh, statewide?

Mr. **Spellman**. Statewide.

Are you familiar with community foundations in general, sir?

Mr. **Yates**. Somewhat, yes.

Mr. **Spellman**. I love to talk about them this way.

Mr. **Yates**. But I keep thinking of you in the city instead of North Dakota. And I could not understand why North Dakota is in this.

Mr. **Spellman**. Well, again, we are talking about communities that are somewhat isolated, sir, and somewhat poor in resources. And that is what defines the community access to the Expansion Arts Program. And so I mean again it is really not a problem——

Mr. **Yates**. I do not understand what the nature of their application would be.

Mr. **Spellman**. The North Dakota Community Foundation would apply to us for a grant which could go to emerging arts organizations.

Mr. **Yates**. To do what?

Mr. **Spellman**. We would give them, say—let us use $50,000 and make the arithmetic easier—per year.

They would take that $50,000, they would match it two to one in new private money. They would, in collaboration with the State Arts Agency in North Dakota, make those grants available to the emerging arts organizations in their state. And they will put their two to one match, the $100,000 that they raise, into an endowment. At the end of four years, we would have built an endowment of up to $400,000 plus the earnings, and the end result is that they would continue the program off those earnings. That endowment would be controlled by a trust instrument which would show that, in perpetuity, these funds would go out and——

STRUCTURE OF COMMUNITY FOUNDATION APPLICATION

Mr. **Yates**. Now, that is the structure, that is the skeleton. Who applies?

Mr. **Spellman**. The community foundation itself applies.

Mr. **Yates**. The community foundation?

Mr. **Spellman**. The community foundation itself applies. And it must be supported by the State Arts Agency in making this application, or, if it is the local community foundation applying, they must be supported by the local arts agency.

Mr. **Hodsoll**. The prototype was Chicago, the Chicago——

Mr. **Yates**. Oh, I can understand Chicago. I cannot understand North Dakota though.

I can understand your program taking place in an area where there is almost an impossibility for freedom of artistic expression. And that is the place that——

Mr. SPELLMAN. The south side of Chicago did not have a harder time developing resources for the arts than North Dakota does. We are talking about an area which does not have a strong economic base, where much of the industry, say lumber or mining or energy, is owned by people outside of the state. And money does not circulate in that area very easily there.

Mr. YATES. Now, is this an artistic expression? Are you being satisfied here?

Mr. SPELLMAN. We would be supporting a lot of small emerging arts organizations in the State of North Dakota should they get the CFI. And these are organizations that have a difficult time getting money from private funds because there are not a lot of private funds in the state.

So, the initiative reaches the rural areas, certainly the areas which are culturally isolated by virtue of the sparseness of their population. It reaches them in a way that is hard for us at the Endowment, to reach with a direct grant.

Mr. YATES. Now, has this begun yet, this program in North Dakota?

Mr. SPELLMAN. No. They are applying this year.

Mr. HODSOLL. New Hampshire has gotten it.

Mr. SPELLMAN. New Hampshire has. So has the State of Oregon, which is primarily a rural state. The State of Arkansas is applying this time.

Most often applicants are local community foundations. Baltimore has one, for example. I would cite Albuquerque in New Mexico.

Mr. YATES. Okay.

Mr. REGULA. Mr. Chairman, I just want to commend him for the outreach program. And it is nice to know that an agency responds to the directives of our report for a change. And I think it is worth even quoting, if the committee please, "it is the congressional intent that the NEA and the NEH funds be dispersed as widely as possible throughout the country."

Now, if I understand you, this is what you are trying to do. I commend you for that effort.

Mr. SPELLMAN. Thank you.

COMPASS

Mr. YATES. Let me ask you about Compass in St. Paul. Why so much for administration? The annual report says you have got $50,000 for a grant, and then you provide $33,000 for subgrants and $17,000 for administration. That is an awful big jump for administration, is it not?

Mr. SPELLMAN. Well, not for an organization like Compass. Compass is an organization that is multifaceted. It offers a lot of services to small organizations in the area and——

Mr. YATES. What is Compass?

Mr. SPELLMAN. Compass is an organization in St. Paul, Minnesota. It is somewhere between an arts council and a service organization. It sort of combines both functions.

It has been one of the leaders in arts education for years. It has been one of the leaders in providing art services for the aged and the handicapped over the years. And it is a major development of art support for smaller organizations in the state. It offers a lot of technical assistance to them.

Mr. **Yates**. Well, that is a lot of jobs, is it not?

Mr. **Spellman**. It is. It is guided by a very creative and very strong person named Molly LaBerge, who is one of the pillars of the early arts movement.

Mr. **Yates**. It is sure a lot of money for administration, of percentage money.

Mr. **Spellman**. It is not an infinitely renewable project. The grant is only renewable for three years; they have completed their final year and they are out now.

Mr. **Yates**. Okay. All right. Thank you.

FOLK ARTS PROGRAM

Folk arts, I think Ms. Hawes.

Well, you do not have much of a cut at all, Bess. You went from $3.1 million to $3 million. I guess you are a favorite of Mr. Hodsoll.

Well, tell us about your program. The cuts will not affect you and you're going along very smoothly I guess, are you not?

Have you got enough money for your program?

Ms. **Hawes**. I think any program in the Endowment could use all the Endowment funds. They would just be absolutely totally delighted.

But I think that—and all of us can think of very good things to do with all the money that comes down the pike to us.

I think on the whole the Folk Arts Program is doing very well for the shape we are in, as the old saying goes.

Mr. **Yates**. Well, what shape are you in?

Ms. **Hawes**. Like the rest of the government, we are making do with what we have, and we are doing the very best we can to spread it out and get it out to a very wide variety of constituents.

Mr. **Yates**. How many applications did you have last year?

Ms. **Hawes**. Well, we had in the neighborhood of 450 applications.

Mr. **Yates**. How many grants did you make?

Ms. **Hawes**. We made 208.

Mr. **Yates**. 208. You do not have the competition that Ms. Chatfield-Taylor has.

Ms. **Hawes**. We have pretty heavy competition, but we also do an awful lot of preservicing of our applicants.

A lot of people have their own particular private ideas about what a folk arts project might be. And sometimes they are much better serviced by other agencies than either the Arts Endowment as a whole, or other programs within the Arts Endowment. So we do a lot of shifting around before they get to the application stage, because I think it is a terrible shame for people to fill in forms when they do not have a chance to qualify, for example.

Mr. **Yates**. Well, what are you doing and what are you not doing because you do not have enough money to do it?

Ms. **Hawes**. Ever since I came to the Endowment, we have been trying to build a support field for folk arts because there really was not any prior to the establishment of the National Endowment.

We put our back to the hoe on trying to build local and state-based programs, using other public monies, and it is a strategy that, up to now, has worked pretty well. We now have 45 state programs and quite a few local programs developing as well.

Many of the state programs are now totally state funded. What we are not sure about, and this is something I do not think anybody can probably predict at this point, is what the impact of Gramm-Rudman will be on the availability of state monies to support these programs down the line.

I think that our strategy has worked extremely well in terms of developing folk arts. We have a lot more visibility now than we have ever had. We have a lot of artists producing extremely well. We have recognition now from, oh, places like Carnegie Hall, which has its own folk program. A lot of their concerts are now sponsoring and presenting traditional artists that we have worked with over the past four or five years. We have gotten some very good radio exposure, and it seems to be building along very well.

Mr. YATES. Well, is your program expanding, and will you cut back now, or do you not know yet?

Ms. HAWES. We have always taken the position that folk arts ought to be supported locally insofar as possible. And, therefore, we have only one grantee that we fund every single year to do the same thing. Mostly after three to four or five years, we assume that that project can be taken over by the local community, and we try to help them learn how to raise money and how to run it themselves. So that the field simply can expand and expand and expand.

What is happening is that we are getting bigger projects and bigger applications for regional development, for example, which never happened to us before.

Mr. YATES. Is that better than going through the states?

Ms. HAWES. It is more difficult. I think in terms of its results, it is probably going to be better. But it is more difficult to find the money.

Mr. YATES. Why would it be better to go regional rather than the state?

Ms. HAWES. Well, a lot of the folk arts occur crossing state lines. State lines are an artificial barrier in terms of where the people live.

The Paiutes, for example, live in three different states, and we are funding a major Paiute basket weaving project right now.

It is more difficult to get three states to kick in. In this case, we were able to get some matching money from the particular museums that were contributing some of their materials for this project.

Mr. YATES. Mr. Hodsoll, what do you do with Council Member Mr. Lipman, who looks at Ms. Hawes and looks at Mr. Spellman and says what are they doing in the arts?

Mr. HODSOLL. Well, I think——

Mr. YATES. Is that not what Mr. Lipman thinks? Is that not what some of the critics think?

Mr. HODSOLL. Certainly not on the folk arts with Mr. Lipman. I have talked with him about this. I cannot speak for Expansion Arts though.

Mr. YATES. So you know the point I am making.

Mr. HODSOLL. I know the point you are making.

You know, Mr. Lipman is very much in favor of——

Mr. **Yates**. But he represents a school, I think, of critics who wonder about the arts going to organizations they do not consider to be based in the arts. I would say they look to the old flagship, to use Mr. Spellman's phrase, as being the arts organizations that deserve support, and the devil take the rest of them.

Mr. **Hodsoll**. But I think——

Mr. **Yates**. I do not mean to demean Mr. Lipman in this. I respect him. He is a very good music critic and pianist.

Mr. **Hodsoll**. Absolutely.

I think, if I could, there are two points I would like to mention on this.

I think with regard to, let us say, orchestral music or ballet or opera, things of that nature, Mr. Lipman, and I would certainly join him, would say that we ought to be funding only the best who do that kind of art form. However, I think that Mr. Lipman would also join me and others in saying that when one is talking about the indigenous expressions of communities of this country, as a National Endowment for the Arts, we should be involved with helping preserve and present those. This is really what Bess' program is all about, and I think Mr. Lipman would join me on that.

It may be that you are thinking of a dialogue between Hilton Kramer, who is associated with Mr. Lipman and me, I think, early on——

Mr. **Yates**. Well, I know that Hilton Kramer did it, and I know that there are others who have taken that position saying that this is an endowment for the arts, and what are the arts? And I would doubt they would consider some of your categories as being within what they would define as the arts.

Of course, when I am asked that question, I say this is a national program of the arts, and it is the Nation's arts, and that is just not the traditional. Although, if you use the term traditional, you are in trouble again because, the folk arts are traditional more than any other, I suppose.

Mr. **Hodsoll**. I think one should avoid adjectives. [Laughter.]

Mr. **Yates**. This is something I encounter as I go around. People tell me that the arts programs also include social programs rather than arts programs. And I tell them that you cannot just tell, what is art or what is not art. And, of course, I think these people think they know what art is. And I am not sure Congress does. But Congress defined it in this case. And I think Bess Hawes qualified and Mr. Spellman qualifies.

It just happened to come up because I encountered it the other day in connection with a matter. Well, I think the program is working very well obviously.

Well, what else do you want to tell us?

Ms. **Hawes**. Well, I would like to tell you for just a moment about this Paiute project because I think it brings up some of the things you were just talking about.

Most people, I think, use basket making as a derogatory term.

Mr. **Yates**. Oh, no. You should see some of the collections that I have seen.

Ms. **Hawes**. Exactly.

Mr. **Yates**. It is an incredible artistry, and the pots of Maria and the other Indian ceramics makers are just beautiful.

Ms. **Hawes**. That is right.

Mr. **Yates**. And I have my arguments with my artistic friends that the museums are all putting these—not all—putting but have placed the ancient Greek urns and the various artifacts of the ancient Egyptians and the other great civilizations into the museums for their artistic value, not only their historic value. And you do not have to argue with or teach me on this. I am just trying to get sustenance and support for a position that I have taken. And I favor the program. Although I have trouble with some of my contemporaries.

Ms. **Hawes**. I was going to comment that this addresses the problem that I think most people are not aware of existing. And that is that the collectors and the great museums have in effect bought most of the great examples of Paiute pieces. And one of our projects is—the point of this particular Paiute project was to borrow back the major Paiute art works and take them into the reservation area on display with a very well illustrated catalogue so that the contemporary basket makers could see what their art form actually consisted of because all the models were gone, in effect, and out of their range.

A very interesting problem we run into a lot, and accounts for our concern with apprenticeships.

Mr. **Yates**. Okay. Thank you, Bess.

One last question, Bess, wherever you are.

Are we running into endangered species in the folks arts?

Ms. **Hawes**. All the time.

Mr. **Yates**. What do you do about it? Is this in museums or outside of museums, or both?

Ms. **Hawes**. Both.

We are trying very hard to keep the the skills alive. That is basically one of the major things we are about, keeping the artistic skills and the aesthetics that they represent alive and active so they can go on spinning.

It is a continual time. I can tell you many, many examples.

Mr. **Yates**. All right. Now we have inter-arts, Ms. Levine.

INTER-ARTS PROGRAM

Ms. **Levine**. Good morning, Mr. Chairman.

Mr. **Yates**. Now you are good for half a million dollars, are you not? Does that hurt you badly?

Ms. **Levine**. It will have an impact, and mean continued struggle certainly.

Mr. **Yates**. How will you face up to it?

Ms. **Levine**. The panels, in considering how to proceed, have in this past year looked at this problem, and more and more they are preferring to make fewer grants in amounts closer to the amount requested by the applicants.

The panelists are also looking, for instance, in the Presenting Organizations category, which is the largest category in the Inter-Arts Program for evidence of a curatorial leadership responsibility in terms of broad presentation of the finest, traditional, and underknown artists of our country, as well as more contemporary work.

Mr. **Yates**. Now, what does that mean in terms of what will happen to you as a result of the cut? Will you be able to do that?

Ms. **Levine**. I mean that the competition will just be stiffer.

Mr. **Yates**. How many applications did you have last year?

Ms. **Levine**. Well, for the program, we had about 624 applications. This year we have one more panel meeting to come, and I think the 566 number here is correct.

Mr. **Yates**. How many grants will you make?

Ms. **Levine**. Well, we do not know yet what the final rounds will be next in two weeks when we have the Artist Colonies and Services panel. But I think that the estimate here of 248 is very close, give a few one way or the other.

Mr. **Yates**. Anything you want to tell us about the wonderful work you are doing?

Ms. **Levine**. Well, I would appreciate a moment to talk about the Presenting Organizations and the Interdisciplinary work, if I may, Mr. Chairman.

INTER-ARTS ACCOMPLISHMENTS

Mr. **Yates**. You may.

Ms. **Levine**. You mentioned a little while ago with one of my colleagues about Visual Arts and the Design Arts Programs working together. And as you know, Inter-Arts is very much an ear to the ground, window to the new program, and we do very much look at collaboration as something that is interesting artists today.

I am reminded of a New Yorker article by Calvin Tompkins where he talked about visual artists and design artists working together like water in a glass. That is much more the visual arts aspect. We are very much involved with many artists either working together or the single artist working to move across discipline lines so that if you said, well, this is theater or this is dance, the words do not exactly describe the work or come close to what the work is. And that is very much something that is interesting today.

Mr. **Yates**. Your work is like opera today.

Ms. **Levine**. Well, that was asked once in the national council, and for the sake of rapidity, I said yes. In fact, that is not quite correct, if I may, sir.

In opera, there are established hierarchies. And music is central. When artists come together to work collaboratively, frequently the question of which artist will predominate is a much more an issue of pesonality than of artistic form. In fact, it is troublesome because artists frequently have to submerge their individuality.

But more than that, I also wanted to mention the fact that the presenters across this country are evidencing curatorial leadership. They are showing interest in commissioning as they reach their 20th anniversary or a sesquicentennial, for instance in a state, and so on. And we are seeing the managers of presenting organizations becoming much more a part of the arts community, we see their closeness with artists, and their closeness with the communities and their increasing sophistication on how to engage their communities.

I might mention, if I may, one particular organization, since it may interest you, which is, the Museum of Contemporary Art in Chicago. They have been a part of our Touring and Commissioning Initiative. They have commissioned new work. They are beginning new presenter networks with other museums around the country, particularly in the Middle West, such as St. Louis and Cincinnati. And we are very proud of our work with that museum and with Michael Danoff.

Mr. **Yates**. What do you mean by presenter network? As I understand how this works, museums get together and say let us put this kind of a show on. Now, that is not a presenter kind of a thing, is it?

Ms. **Levine**. No. But many museums today are becoming interested in showing work by living artists who may not be making just visual objects. They may be dancers, they may be composers. And they see that work as parallel to the kinds of work they are showing in their collections. And for this reason many museums, the Museum of Contemporary Art in Chicago, the Museum of Contemporary Art in Los Angeles, the Albright-Knox Art Gallery in Buffalo show work——

Mr. **Yates**. Give me an example of the individual who is, in addition to being a visual artist, is something else.

Ms. **Levine**. Well, I can mention, of course, Ping Chong, whom the Museum of Contemporary Art in Chicago commissioned. I can mention Robert Ashley, who works in video as well as being a composer. I can mention Meredith Monk. I can mention several of these people.

Mr. **Yates**. Is it best to be in one field of expertise or many fields of expertise?

What kind of a show do they put on then?

Ms. **Levine**. It is an interdisciplinary show, I think, would be one way of saying it.

Mr. **Yates**. What does that mean? I mean what disciplines are being revealed?

Ms. **Levine**. All right. There may be, for instance, in a recent piece of Ping Chong, the——

Mr. **Yates**. Is he a composer? I do not happen——

Ms. **Levine**. No. He does his own music, and he is a theater artist. He does his own music. He does his own video. He designs the visual aspects as well.

Mr. **Yates**. Well, Picasso did stage sets as well. Is this the kind of thing you are talking about?

Ms. **Levine**. Yes. But in this case, Mr. Chong worked alone with his conception and then brought in other people.

Mr. Picasso worked with Sati, with Jean Cocteau, and so on, and that was a different thing.

Here we are talking about one artist who kind of goes across the line.

Mr. **Yates**. I see.

Ms. **Levine**. But more and more, there are museums that are beginning to show performing work as well as the visual arts on a wall or a sculpture.

Mr. **Yates**. Okay.

Thank you very much.

Ms. LEVINE. Thank you.

Mr. YATES. Okay. Literature, Mr. Conroy.

LITERATURE PROGRAM

Mr. Conroy, is Mr. Hodsoll going to give you your $214,000 back or is that gone forever?

Mr. CONROY. Well, time will tell. [Laughter.]

I take the long view. The chairman giveth or the chairman taketh away.

Mr. YATES. Blessed? [Laughter.]

Mr. CONROY. I think one thing is this—you know, I mean speaking for myself, but I think it is true across the Endowment, the program directors do not really fight and struggle with each other about these funds.

Mr. YATES. Maybe it would be better if you did.

Mr. CONROY. No, I do not think so. I honestly do not. Because what is important—to me personally, it means that the decision has to be made at a higher level than me because I cannot make that kind of decision.

If it starts being very big, where it really affects you in a very big way——

Mr. YATES. Well, with $114,000, can you imagine what some of your writers could do with that?

Mr. CONROY. Well, as I say, time——

Mr. YATES. Are you going to tell your writers there is hope for you, just hold on?

Mr. CONROY. No. What I am asking is if we look at fiscal year 1987, I am going down from $49 million to $46 million.

Mr. YATES. Right.

Mr. CONROY. That could have been worse.

Mr. YATES. How much worse?

Mr. CONROY. Well, I do not have the numbers here, but——

Mr. YATES. Why do you say it could have been worse? How bad is it?

Mr. CONROY. How bad is it now?

Mr. YATES. Yes, with the $500,000 cut.

Mr. CONROY. As I have said before, it is very difficult to give you a straight answer, I mean to give you an absolutely hard answer.

Literature, in particular, goes slowly. Supporting literature is an active thing. Fellowships, for instance; we give money to writers. It may take quite awhile before we will see the results.

Mr. YATES. And you will not know how they develop anyway, would you, as you found out last year?

Mr. CONROY. Well, you know, some of them will become famous. Some of them will continue to ply their trade. What I mean is it is spread out over a very long period of time. So it is really hard to give precise answers when you ask how is the art form going to be affected by more money or by less money.

In the past, I said, when we have more money, we give more grants, and when we have less money we give fewer grants.

Mr. YATES. Here, the Endowment has been in existence for 20 years, the Literature Program has been in existence for 20 years. Is that a long enough period of time to reflect on how effective the

Literature Program has been through the grants that have been made here?

Mr. CONROY. Oh, yes. There I think the record is particularly good.

If you look back on people who got fellowships, individual fellowships, it is quite extraordinary.

Mr. YATES. Tell us why it is extraordinary.

Mr. CONROY. Because they have gone on to do such splendid work.

Mr. YATES. Tell us who.

Mr. CONROY. Isaac Singer, I mean——

Mr. YATES. Did he get a fellowship?

Mr. CONROY. Yes, he did.

I might refer you to the anthology "Buying Time," which was put out, which was produced on the occasion of the 20th anniversary of the Endowment, which includes work done by people who received individual fellowships. It was more or less in the year that they did it, or very close to it.

Mr. AUCOIN. Mr. Chairman, it is my understanding that the author has stated that he could not have done his work had it not been for the——

Mr. CONROY. That is true. He even gave us a little of the money back.

William Kennedy, for instance, who wrote the Albany Series, is now, I think, widely considered to be a very important American writer.

Mr. YATES. But I do not understand why, Mr. Hodsoll, you do not come in with your anthology close to benefit time. The National Gallery of Art always comes in with their catalogue and show us what the shows are. And the Smithsonian, they bring in a couple of rocks and show what they are and what the geologists are looking at.

Mr. HODSOLL. You will have it tomorrow, sir.

I will have it here this afternoon.

Mr. YATES. I must tell you that there are people in the Congress who sometimes criticize me for supporting the arts. Now, that may be strengthened by——

Mr. CONROY. I hope you like the book.

Mr. YATES. Well, I hope they do, too.

Oh, is that the reason you are not presenting it?

Mr. CONROY. No, no, no.

SMALL PRESS CONTRIBUTIONS

It is not only the grants to individual writers. Another thing that I would point to is the small presses that have been supported over the 20-year period since the Endowment was begun. This is particularly important because of what has happened in the commercial publishing world, which has changed very drastically. The small presses are picking up a lot of the literary activity that the commercial houses, which have been for the most part bought up by conglomerates, will no longer do. The information——

Mr. YATES. They will no longer do what?

Mr. CONROY. Well, they need to print 10,000 copies, for instance. I mean I cannot prove this, but this is conventional wisdom at the moment. It used to be 5,000. You used to be able to enter at 5,000 copies.

An artist could write a book which the publisher would know would not sell more than 5,000 copies. And in fact that has been the traditional entry point for literary artists into commercial publishing for a very long time. And a lot of very big writers, their first book was 5,000 copies.

Now, it would seem——

Mr. YATES. That was not true of Mr. Iacocca, was it?

Mr. CONROY. No, it was not.

Mr. YATES. I think he sold over a million.

Mr. CONROY. I am speaking of literary authors. [Laughter.]

But now you see it is 10,000 or 15,000 copies which is that——

Mr. YATES. Ten thousand or 15,000 copies for what, to break out even?

Mr. CONROY. To bring it out and print it, to break even. They might do it as a favor once in a while for a special editor. They might let somebody have a 5,000 run. But for the most part, they are thinking in terms of 10 thousand to 15 thousand.

Now, that cuts off a lot of people. And the small presses are increasingly moving into that territory. And they are not only printing new writers—and this is with regard to your question of what do we have to show for it—they are not only allowing an entrance place for new writers, they are also picking up literary writers who are being dropped by the commercial houses, not because anybody thinks they are bad writers, but because they do not reach a sufficiently large audience to make it profitable.

So that I do not really think it is hyperbolic. I think that the small presses in this country are having an increasingly important effect on the continuity of American letters. I really think they are.

Mr. YATES. How many small presses are there?

Mr. CONROY. Oh, well, that is hard to define because if you talk about all the small presses, there are thousands. But the literary small presses, I mean there are several hundred.

Mr. YATES. Well, do they all apply to you?

Mr. CONROY. Not all of them, no. Some of them do not. Some of them are not for profit. Some of them are directed by people who think they can make it in the long run and have decided not to have a nonprofit status.

Mr. YATES. How many applicants do you have?

Mr. CONROY. Well, in literary publishing, we had this year, 207.

Mr. YATES. Now, is that writers or is that small presses?

Mr. CONROY. That is presses and magazines. Also there is a relationship there.

Mr. YATES. Presses and magazines.

Mr. CONROY. Yes. Literary magazines——

Mr. YATES. What do they ask you for? Do they ask you for funding for what purpose, to provide the opportunity for a writer, a specific writer, or just to stay alive?

Mr. Conroy. The magazines will send issues of their magazines and say we want to do two issues next year. And they applied to us for funding to help the payment of——

Mr. Yates. Two issues for the year?

Mr. Conroy. Yes, or a quarterly would do four, it depends on their plans. And this is what the panels look at.

A small press will—say we want to do three books next year. We are very excited about three books. And they will describe the books and they will say what the books are. And the panels will look at it, and they will look at the record of the small press. They will actually get pretty detailed. They ask how many you are going to print and what are your distribution plans, et cetera, et cetera? And then they pick as panels pick. In other words, the most important things they pick——

Mr. Yates. You have applications from writers, do you not?

Mr. Conroy. Yes. And the categories are the Fellowships, in which individual writers are applying for money to buy time in order to do their work. Then, the small presses apply asking for money to help bear the cost of publishing these books in, generally speaking, small press runs, at least smaller than those of the commercial houses.

The literary magazines are often related to the small presses. Many of the small presses were once magazines in the past. The magazines will come in and ask us for money to underwrite, to help pay for the production expenses of their magazine, and also often to pay the writers who appear in that magazine.

Mr. Yates. You mentioned Mr. Singer and Mr. Irving as grantees.

LITERATURE FELLOWSHIP GRANTEES

Mr. Conroy. And Cynthia Ozick and William Kennedy and Joyce Carol Oates, I mean the list is extraordinary. I will have the book for you this afternoon. And that is not all of them, that is just some of them.

Mr. Yates. Why do you not have one with all of them?

Mr. Conroy. That would be a very big book, 20 years.

Mr. Yates. How many grants do you think you are going to make in 20 years?

Mr. Conroy. I do not know that. But we now give, at the present time, about 100 a year.

Mr. Yates. Well, that is not too many then, is it?

Twenty times a hundred.

Mr. Hodsoll. We came up with a number on that, I think there are about twelve hundred.

Mr. Yates. But not all of them are achievable?

Mr. Conroy. No.

Mr. Yates. Well, how many are you saying?

Mr. Conroy. Well, I cannot answer that question.

The anthology tried to give a broad spread of work by a lot of different people that the editor thought readers would be interested in.

But when you ask how many achieved fame, it really is a difficult question.

Melville, in 1850, was completely unknown. He wrote the greatest novel, in my opinion, in American literature, and he was totally unknown. Nobody knew who he was. And his reviews were terrible.

Mr. **Yates**. And Faulkner went through the same period, did he not?

Mr. **Conroy**. Faulkner had to go to England to get published. He could not get published in this country. He was first published in England.

So that fame, it is a very difficult question to answer. There may be——

Mr. **Yates**. It took 20 years to judge him.

Mr. **Conroy**. There may be many people who have gotten fellowships. That is why I say, if the seed gets planted, and you do not know. I mean some of them will get there rather quickly. Others will get there in line. Some will not get there at all.

Mr. **Yates**. At least during our lifetime.

Mr. **Conroy**. Yes. So it is really a difficult question.

LOANS VS. GRANTS

Mr. **Yates**. How about the question of instead of making grants, why do you not make loans instead of grants? I know that the legislation provides for grants. But I wonder, here you have Mr. Singer, who has become, I take it, rather wealthy as a result of his books, the stories he has written. Should you have a program like the student loan program?

Mr. **Conroy**. I do not think so. The reason I do not is because the studies have shown that literary writers tend to make from their own work somewhere between $6,000 and $8,000 a year. Of course, there are those who make more. There are those who do not. There is a very small number of writers who can survive on their writing.

Most literary writers in this country, even though they might have very solid reputations and be quite well-known, have to teach, and they have to take other jobs in order to survive. It is a handful of writers who live on their writing.

So the loan idea, you see, would work fine for those that did wind up making a lot of money. But that is such a small percentage. And those who do wind up making a lot of money—I mean John Irving got $3 million for "Cider House Rules." Now he is going to have to pay income tax on that $3 million. The Government is getting something back.

Mr. **Yates**. How much money did you give him?

Mr. **Conroy**. We gave him, I think, $7,500 way back when he was——

Mr. **Yates**. $7,000?

Mr. **Conroy**. No, no, no.

Mr. **Hodsoll**. Back when he was getting started.

Mr. **Conroy**. Yes. He would not apply for a grant now. I mean he would never do that.

Mr. **Yates**. I just wanted to make sure.

Mr. **Conroy**. He was a young writer at the time. His first four books were not best sellers. He was known to other writers, but he was not a well-known writer. He lived in Boston and he taught school to pay for the groceries. He was making very little money on his writing.

STATE OF COMMERCIAL PUBLISHING

In fact, Mr. Chairman, in talking to John Irving, when he describes what is happening to the commercial publishing world, you really get a graphic picture of how much safer they are playing it because of the squeeze on profits in major publishing houses. And they are taking fewer and fewer risks on young untested writers.

So, the problem of finding the future John Irving is really going to be compounded because of the pressure being placed today on the commercial side in these publishing houses, making all the more valuable and vital the kind of grants that made John Irving, and who knows how many others, get started in the first place.

Mr. **Hodsoll**. If I could just add, Mr. Chairman, on pages 50 and 51 of our submission, there are a number of examples, in addition to the 20-year anthology, to give you a sense of—at least we hope we give you a sense of some of the people we have supported and what has happened with them.

EFFECTS OF CUTS IN LITERATURE PROGRAM

Mr. **Yates**. What could you do with $200,000, Mr. Conroy?

Mr. **Conroy**. It would be just that much easier for the panels. They would be able to give some more grants.

Mr. **Yates**. Well, how many more grants would they be able to give?

Mr. **Conroy**. It depends on the category. If it was fellowships, panels would be able to give 10 or more. But I think when you have to take cuts, you try to spread it out, as you can see we have done that from our category allocations. I mean $200,000 is $200,000. Yes, there could be more grants with that money.

I mean what you see is the panels having to cut a little bit more. Allocations are down a little bit and they have to make some tough choices.

Mr. **Yates**. Well, that is what they are there for.

Mr. AuCoin.

Mr. **AuCoin**. Well, I just observed, Mr. Chairman, if we follow the trim line of the budget that has been submitted and projected into the next 20 years, some future chairman of this committee, when he asks a witness for a list of famous authors who have benefitted from this program, it would be easy to put together because I think there would be very few, given the trim line of the budget. Not nearly as difficult as the task you have asked this witness.

Mr. **Yates**. Well, what is your impression, Mr. Conroy? How do you appraise the field of literature today?

CURRENT STATE OF LITERATURE

Are there lots of writers coming along? Are we making improvement? How long have you been with the Endowment now, three or four years?

Mr. **Conroy**. Three and a half years.

Mr. **Yates**. Have you seen advances or retrogression?

Mr. Conroy. Three and a half years in literature is actually not a very long time. I keep——

Mr. Yates. Well, I asked that same question about six years ago.

Mr. Conroy. It is an interesting question because there are some people who think that literature is not in very good shape. I do not agree with them. I do not quite understand why they feel that way.

I think that literature is awfully hard to discern at the present moment. It has to be looked at over time. I have always said that I think the funding of literature is, to a certain extent, an act of fate. History shows that people did not always know precisely who the best writers were at any time. And the growth of writers is different.

This seems to be a rather quiet time. It has been, I think, for about 20 or 25 years. But, I am not a cultural historian. I have opinions, but no informed opinion.

I believe in the long haul. I believe that there are always good writers. There always will be good writers.

Mr. Yates. How do you derive distinction between your role and the role of the similar program director of the National Endowment for the Humanities? What is the difference in both of you?

DIFFERENCE BETWEEN NEA AND NEH LITERATURE FUNDING

Mr. Conroy. The National Endowment for the Humanities, I believe, funds scholars. They fund academics and scholars who are doing work about writers. For instance, somebody might want to write——

Mr. Yates. You mean a biographical work?

Mr. Conroy. Yes, or scholarship. I do not believe that they fund any working artists who are doing novels or poetry.

Mr. Yates. I thought they were funding the great novel, the great books, the great American book, are they not?

Mr. Hodsoll. They fund the publication of works of authors acknowledged to be great. But we are funding contemporary writing, contemporary writers alive today. We are not funding the Melvilles and so on.

Mr. Yates. Mr. AuCoin, did you have a question?

Mr. AuCoin. Just two, Mr. Chairman.

QUESTIONS ABOUT ADMINISTRATIVE BUDGET

Did you cover before I got here the fact that apparently the budget submission holds the administration budget virtually at the same level as it is for fiscal year 1986 after Gramm-Rudman, that is at $14.8 million for administration?

Mr. Yates. We have not asked any questions about administration so far.

Mr. AuCoin. I am struck by the fact that that is being held at the 1986 Gramm-Rudman level. But the total program is being proposed to be $13.6 million less in fiscal year 1987.

So I think the question the committee ought to ask, and I would ask it, is why the same amount of administrative money to run a smaller program?

Mr. Hodsoll. I would be happy to address that, Mr. AuCoin.

Basically we have a major problem in our administrative budget for 1986 as I mentioned in my opening statement. While the $14.9 million that we are proposing is 2.7 percent over the current administrative budget, it is the same as that the House passed last year and the same as the Senate passed before the cuts took place afterwards.

But I think, to put it more in perspective, in this committee, back in fiscal year 1980, there was a move to increase our administrative budget to provide for 325 positions at a time when we had 24,000 to 25,000 applications. In 1985, we had 18,000 applications, and there has been an upward trend since a real dip in 1981. But we are down to 258 people from 325. That is the same number of people as we had in 1975 when we had 13,371 applications. In other words, we are requesting enough money in 1986 for 258 people. On the order of 70 percent of our budget is people and the rest is relatively minor.

I have to say that I have been on the record for reducing our budget in the administrative area in real terms throughout the years that I have been chairman. But we really need every penny of that.

In 1986, if I could, which is the current year, after Gramm-Rudman-Hollings, we have, as of now, frozen travel, we have frozen all hiring, we have frozen all promotions for the rest of the year. This is not very good for morale. And we are not there yet. We may well have to furlough some people.

We have made a commitment not to RIF anybody. But we are at the end of the line on administration, I regret to say, Mr. AuCoin, and we really do—we fought this one through the OMB—we really do need that budget. And we need it after Gramm-Rudman, as well as before it.

Mr. AuCoin. Even though you will be helping fewer artists?

Mr. Hodsoll. Even though—the application load, you see, does not diminish significantly. So I mean in terms of our internal process, we have to do virtually all of the same things, sir.

I think we have made a lot of progress in the last four years in this area in terms of reducing, as I say about 17 percent, from 325 to 258, which are the real terms. And we are putting more money into automated data processing. For the first time, we have the beginnings; in fact, we have implemented a grants management process that is automated, and that has allowed us, in effect, to reduce our FTEs by 44.

But we are really at rock bottom, and I do not normally say those sorts of things before this committee.

Mr. AuCoin. I just want to ask a question dealing with a local concern, Mr. Chairman. You may not be able to respond today. It is——

Mr. Yates. Rural?

VETERANS HOSPITAL IN PORTLAND, OREGON

Mr. AuCoin. Rural part of the country, yes. One of the pockets of urbanization.

And in one of those urbanized pockets, as a matter of fact, I have a concern.

Local art groups in Portland have been working to have art installed in a new Veterans Hospital in Portland. And there has been a rule that a small fraction of project costs should be devoted to this purpose. And I am extremely interested in that effort. But I have to note in this hearing that in the time in which the hospital has been under construction in Portland, the VA has really been dodging the issue of whether the hospital will be eligible for the art and architecture program.

The last thing I heard from VA was a letter dated December 9th of last year. It said the program is still up in the air, it is being worked out with NEA, and I would like you to enlighten the committee either today or for the record when an understanding is going to be reached and what form that program will take, and if the Portland VA Hospital will be given consideration as a place for locating and working art under that program.

Mr. HODSOLL. Let me, Mr. Chairman, see if Richard Andrews has a sense of this, but we will certainly provide it for the record.

Richard, do you have a sense of this?

Mr. AUCOIN. What is your sense of it?

Mr. ANDREWS. The Veterans Administration art and architecture program has been put on hold. When I first came to the Endowment a year ago, there was very much a hurry-up move to establish new procedures for their selection of artists.

Just as a footnote, we simply act as the advisory agency for both the GSA and the Veterans Administration to select the artists. We do not control the funds or the contracts. I think you have some of that correspondence about in April of last year detailing some new draft procedures that we had jointly worked on. From that point, we had not heard back from them.

However, just recently, we wrote them a letter saying that the Portland project was our first priority for the program because of its timing and because it had been one of the ones scheduled to go next. I just wrote them a reminder note about three weeks ago asking what had happened.

So essentially it is at the Veterans Administration, to be handled administratively by them. We do not make the projects ourselves. We simply respond to their initiation of the art projects.

Mr. AUCOIN. Well, the letter I referred to from Mr. Everett Alvarez, Deputy Administrator for Veterans Affairs, says:

> The VA has been reviewing and revising the program. Our review is now completed and we are in the process of finalizing a new memorandum of understanding with the National Endowment to request the restructured art and architecture program.

Do you know anything about that?

Mr. ANDREWS. That is what I was just writing them to remind them that we were waiting their final comments on the memorandum of understanding.

What I can do for you, if you would like, is to check into it and give you a full report.

Mr. AUCOIN. Would you, because they said on December 9th that they were in the process of finalizing it.

Mr. ANDREWS. We are very much in favor of getting the program going again.

Mr. AUCOIN. And Portland is number one on the priority list?

Mr. **ANDREWS**. Yes. As it so happens, Portland, I think, is number one.

[Information follows:]

PORTLAND, OR VETERANS HOSPITAL ART-IN-ARCHITECTURE PROJECT

The following March 6, 1986 correspondence from the Office of the Administrator of Veterans Affairs explains the new organizational structure for the Veterans Administration's Art-in-Architecture Program and states that the documents which will govern the new program are under internal review. The Endowment hopes to receive a response soon and subsequently sign the new memorandum of understanding with the VA.

Regarding the Portland project, the Endowment has recommended that it might be a good first project to implement under the VA's new "decentralized" Art-in-Architecture procedures. We will continue to monitor the status of the VA's Art-in-Architecture Program, including the Portland project.

OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, DC, March 4, 1986.

Mr. RICHARD ANDREWS,
Director, Visual Arts Program, National Endowment for the Arts,
Washington, DC.

DEAR MR. ANDREWS: Thank you for your letter of January 30, 1986, requesting a status report on the progress of the memorandum of understanding between our agencies on the Veterans Administration's (VA) Art-in-Architecture Program. I regret the delay response.

As you know, our program has been going through a period of substantial review and revision, now completed. The Art-in-Architecture Program is being decentralized to the field for implementation. Veterans Administration Central Office, however, will retain initiation and oversight responsibility. This will be accomplished through the Office of the Director, Facility Engineering, Planning and Construction, Department of Medicine and Surgery (DM&S). The phone number of that office is 389-5258.

The documents which will govern this new program, including the proposed memorandum of understanding and procedural guidelines to be followed by the VA medical centers, are currently undergoing internal review and concurrence. Upon completion of this process, copies of these documents will be provided to your agency for review. We hope that in the near future a jointly signed memorandum of understanding can be achieved and implementation of the VA's new Art-in-Architecture Program initiated.

With regard to the status of ongoing projects, I recommend that you call the DM&S office referred to above. The Art-in-Architecture Program was delegated to the DM&S on September 20, 1984, with the provision that all ongoing projects would be completed under the existing agreement with National Endowment for the Arts (NEA). As such, DM&S is the VA's point of contact for this program as it is no longer under the jurisdiction of my office.

Your patience in this matter is greatly appreciated.

Sincerely,

RANDALL H. BRYANT II
(For Susan Livingstone, Acting Associate
Deputy Administrator for Logistics).

Mr. **AuCOIN**. Thank you, Mr. Chairman.

LETTER FROM ROB MELTON, KANSAS RESEARCH LIBRARY

Mr. **YATES**. Mr. Conroy, I have a letter here sent to me by Congressman Glickman. He received a copy of a letter addressed to you, dated February 3, 1986, from Mr. Melton, the Curator of the New American Poetry Collection of the Research Library of Lawrence, Kansas. Mr. Melton does not agree with you on the way you fund things. I would take it you know the letter?

Mr. **CONROY**. I do know the letter.

Mr. **YATES**. And he says, first, that you are cutting out the funding of the St. Marks Poetry Project at the same time that you are funding small presses. He does not think that is proper.

Mr. CONROY. There is one factual error in the letter which is he seems to think that we cut back on the literary centers while introducing a new program to fund university presses, and that is wrong. We have always funded university presses, those who have applied to us and to whom the panel has given the seal of approval.

In fact, the Confederacy of Dunces, a book that was published with some success, by Louisiana State University Press, was a university press book published with support from the Endowment's Literature Program.

Mr. Melton was misinformed.

Mr. YATES. You are just cutting out his project?

Mr. CONROY. No. He does not have a project.

Mr. YATES. He is talking about the St. Marks Poetry?

Mr. CONROY. Which has received support from the Endowment steadily for a very long time.

Let me describe what has happened in the Literary Centers category, because there has been a remarkable similarity in the priorities of the panels ever since I came here. Their priorities are their fellowships first, literary publishing second, and organizational grants third. So that those organizations are not getting as much money as they did when the budgets were larger.

REVIEW OF LITERATURE FELLOWSHIP APPLICANTS

Mr. YATES. What happens to your panels in this: you have applicants for fellowships. An applicant for a fellowship submits what with his application, samples of his writing?

Mr. CONROY. A poet will submit 20 pages of poetry. A prose writer——

Mr. YATES. That has been published or it need not be published?

Mr. CONROY. It does not matter. But if it is published, they have to type it over and put in so that it is typed, so that it is not evident that it has been published.

Mr. YATES. Why do you do that?

Mr. CONROY. To keep all of the applications absolutely equal in terms of the presentation.

Mr. YATES. I see.

Mr. CONROY. It can have a psychological effect. Let us say you see a xerox of a poem that is published in the New Yorker, for instance, which does publish some very good poetry.

Mr. YATES. That would be impressive, would it not?

Mr. CONROY. Right.

So they send samples of their work, yes. A prose writer, a short-story writer, will send 30 pages to us.

Mr. YATES. Suppose it is a novel writer?

Mr. CONROY. Then a novel writer gets up to 50 pages. In other words, a novel writer would usually send a chapter.

Mr. YATES. And who reads that? Do your panels read that?

Mr. CONROY. Our panels.

Mr. YATES. Do you send them to outside readers?

Mr. CONROY. No, not unless it involves a foreign language. We might sometimes do it, but that is rare.

Mr. YATES. You have applications from foreign language works?

Mr. **Conroy**. Yes. And we have some translation fellowships. It is a small number.

Mr. **Yates**. You mean like War and Peace or something like that?

Mr. **Conroy**. No. Typically it will be a living writer somewhere else in the world who is considered to be an important literary figure, but whose work is undertranslated in the United States.

Mr. **Yates**. I see.

Mr. **Conroy**. And someone will apply for a grant to translate.

Then we will go outside the panels to use a reader to check the accuracy of the translation. But we do not use readers to screen applications, as I understand was done in the past.

The panelists, there are nine prose writers to judge prose, and nine poets to judge the poetry. They read all the applications. There are a thousand applications in each. It is a tremendous workload and it takes them four to five months.

Mr. **Yates**. Do you make recommendations to your panels on whether the grant should be allowed?

Mr. **Conroy**. No. What do you mean, personally, the staff?

Mr. **Yates**. You or the staff.

Mr. **Conroy**. No.

Mr. **Yates**. I think the manager does, does he not?

Mr. **Conroy**. No, I do not. In fact, through our conflict of interest rules, if there is anything ever up for consideration that I have the slightest connection with or have had in the past, I would leave the room. And I certainly do not advise the panelists on what or whom they should fund.

Mr. **Yates**. If my memory is right, what if there is a recommendation from the staff?

Mr. **Conroy**. I would not pay attention to it if I had it.

Mr. **Yates**. I beg your pardon?

Mr. **Conroy**. I would not pay attention to it. Sometimes I very much wanted to say something, but I have had to button my lip.

Mr. **Yates**. Well, actually, later on when we go into the panel, as to how your panels work and how patrons are, maybe we ought to ask the program people, although I suppose that is a general discussion.

Well, okay. Thank you very much, Mr. Conroy.

Mr. **Conroy**. Thank you.

Mr. **Yates**. I enjoyed this session, and I think we will break for lunch now and come back at 1:30.

Mr. Regula has some questions.

Mr. **Regula**. Thank you, Mr. Chairman.

ARTS EDUCATION

As you know, Mr. Hodsoll and Mr. Chairman, last year we discussed arts education efforts, and in response to a question I asked, and it is in the hearing record, you testified that NEA had entered into a partnership with the Council of Chief State School Officers, and that a survey of the needs in art education was being conducted by the education community.

I would be interested if that survey is completed, and how it is reflected in the budget.

Mr. Hodsoll. Yes, sir. The survey is completed, Mr. Regula. It was a good survey; it gives a basic sense of what is going on out in the country, in the 50 states, in terms of arts education. In terms of the future, what we are currently in the process of doing is discussing with the state arts agencies and the educational community what the future of our program should be.

It will not affect materially the amount of money that we have allocated to arts education, and for fiscal year 1987 the number for that is contained in our budget submission, sir. However, we are looking to provide, if you will, a broader opportunity for state arts agencies to move beyond artist residencies, if they so wish, and to see whether or not there are ways of encouraging the arts, as a basic part of education, kindergarten through 12th grade. And that is basically what we are doing there.

I might say that, since last year, we have also had quite a few discussions with the U.S. Department of Education about all of this, between me and Secretary Bennett, and between my staff and his staff. And as you know, sir, the authorization committees of our agency last year required several things.

First, they made it clear that arts education was part of our mandate in the statute. Secondly, they required of us, by 1987, to provide a study, in conjunction with the Humanities Endowment, on the state of arts and humanities education. This study is to be undertaken in cooperation with the Department of Education.

We have begun that study. And finally, they specifically asked us to see what we could do in the schools, to try to make a difference there, and so we have that underway.

If I could add just one sentence on this. I think this is a tough area, and I think we are going to have to feel our way; but, at least from my prospective, and from our national council's perspective, Mr. Regula—I know this has been an interest of yours over the years—I can think of nothing more important than to see whether or not, in a small way, we can encourage local schools, essentially to put the arts in there with the other subjects.

Mr. Regula. Do you anticipate that you might use television and radio, and cassettes, perhaps to help provide arts education in more rural areas, as well as perhaps in some urban centers?

Mr. Hodsoll. Absolutely, sir. We have entered into a partnership with the Getty Trust to see whether or not television programming on the arts for young people, ages eight to 10, can be done. Pilots under a competition have been let for that; we expect the product to be ready for evaluation by the middle of this year; sometimes toward the end of this year, this fiscal year, we would hope that we would have the kind of product on the basis of which we can help fund a series.

And the budget that you have before you has provision for the funding of that series, as indeed does our fiscal year 1986 budget.

If I could add just one other word, I would hope that also in our schools effort, that there will be rural schools involved with this as well, though I recognize that in, at least, some rural schools that is going to be tough, because they do not have arts specialists, and they do not necessarily have facilities to have full scale arts programs.

Nonetheless, I think that if one is talking about pilots, there ought to be pilots in rural areas, as well as urban.

Mr. **Regula**. I might have a couple of suggestions on that.

Mr. **Hodsoll**. Okay.

PROVISION OF VIDEOCASSETTES

Mr. **Regula**. I noted that when Mr. Carter Brown was here from the National Gallery, a week ago, they had a pamphlet on an extension program in which they indicate the availability of cassettes, video tapes, et cetera, for outreach type of things. I just wondered if there was any coordination between what you are talking about here, and what they are doing.

Mr. **Hodsoll**. I know about their program, Mr. Regula. I think that that is something—there is no coordination at the moment. I think that is something we ought to talk with them about, without question.

Mr. **Regula**. It would seem that way to me, because I know that I am going to get 45 copies of their brochure, and send it to all the programs in our school districts, and see if they want to plug in, and that might be something that at least ought to be coordinated with whatever you are doing.

Mr. **Hodsoll**. Absolutely. If I could just note one other project that we have underway, thanks to the President's committee and Exxon Corporation. We have undertaken a pilot to test, in libraries, the provision of the cassettes of some of the products that we funded over the years in programming in the arts, Live from Lincoln Center, Dance in America, et cetera. That plan is now being tested, and we will have the results by the end of the year. About 100 titles have been provided in libraries in New York City, New York; in Baltimore, Maryland; in Shepherdstown, West Virginia; Baton Rouge, Louisiana; and in Billings, Montana. You can see the rural and urban areas there.

The critical question here is not so much our ability to provide the tapes to the libraries; the critical question is who will use them. What kind of training will the librarians need to get the kids in, and so on?

We hope to have some answers on that by the end of the year.

Mr. **Regula**. Well, it seems to me that the most difficult problem, whether it is the Library of Congress, or the Gallery, or NEA, is to alert people out in the field that these resources are available, and get them to using them.

Now, you will have a few teachers that are go-getters, and they will try to plug in, but so many, either through inaction, or whatever, just simply do not know.

Have you made any attempt to work with the State Departments of Education, to have them, in their publications, or maybe the Higher Education Association, as an example, in their publications, put in a little box about what is available in the way of resources?

Mr. **Hodsoll**. Not that specific idea. But maybe we should take that up.

Mr. **Regula**. Almost every state, not all the states, have a teachers organization, and a publication that goes out to all their members, and it would seem to me that that would be a good vehicle to alert people about experimental programs, or otherwise, that you might have available in the educational field.

Mr. **Hodsoll**. Well, I think that is an excellent idea. Our feeling had been that since our general relationship is with the State Arts Agencies, like the Ohio State Arts Council, that perhaps if we could work with them and the U.S. Department of Education would work with the State Education Departments, that one might then, how shall I say, foster an interaction between those two departments at state level to do exactly what you just suggested.

Mr. **Regula**. Well, the important thing I think is to have some kind of an outreach that will at least be brought to the attention of one medium or another of the local people; and some will respond, and some will not.

Mr. **Hodsoll**. That is right.

POSSIBLE FURLOUGH OF ENDOWMENT STAFF

Mr. **Regula**. I note in the sequester section of your budget justification that if actions taken in fiscal year 1986 do not generate sufficient savings, you will have to consider some actions which would further reduce personnel compensation.

I think that could be a problem, and I guess the question is specifically, will you have to RIF, or furlough any staff?

Mr. **Hodsoll**. Well, we are very worried about that, Mr. Regula, for 1986. Let me say that the budget that we have before this committee, if adopted, and I might say adopted after any other cuts that are taken into account as a result of Gramm-Rudman, is adequate.

But for 1986 we are in rather bad shape. I was mentioning earlier that we have frozen our travel, and we have frozen all new hiring. That means that we are treading water in some areas; we cannot bring on people to fill, you know, the slots that are required, and we have frozen all promotions.

We have also undertaken a number of other measures: we are going to be sending our guidelines out on much cheaper stock, a number of things like that. However, having said all of that, sometime in the next month, to a maximum of two months, we will know what we will have to do.

Let me say, on your specific question, we have made a policy determination not to RIF. However, furlough is a real possibility in the future. And so that makes it all the more important, whatever happens in 1986, that our 1987 budget be adequate, because otherwise we are going to get into a situation where I am really afraid we cannot accomplish our mission.

U.S./JAPAN EXCHANGE FELLOWSHIP PROGRAM

Mr. **Regula**. Another topic. What is the extent of the NEA involvement in the joint fellowship program of the Japan/United States Friendship Commission, which is funded through in the Commerce State-Justice appropriation. What is the cost of this participation, and what, if anything, do the Japanese spend on the portions of the endeavor?

Mr. **Hodsoll**. May I defer to my counselor here on that?

Ms. Moore. Yes, certainly. We provide $75,000 a year, which is matched by the U.S./Japan Commission. That $75,000 funds five artists, American artists, to go and study and work in Japan, and then the Japan Commission supports five Japanese artists to come here to study. In addition to that monetary or financial partnership, the U.S./Japan Commission seeks Endowment advice on the applications that it gets at the commission that relate to the arts. We, thus, advise them on the dollars that they actually end up spending that relate to the arts.

Mr. Regula. Thank you.

Thank you, Mr. Chairman, and I will submit the rest of my questions for the record.

Mr. Yates. Very well.

AFTERNOON SESSION

LOCALS TEST PROGRAM

Mr. Yates. Now we have the Locals Test program, for $2,200,000, and I do not see a comparable figure for—here it is, down here, the same amount as 1986.

Why the Locals Test program? Why is it not adequate to just have a program of providing money to the states, and let the states handle the Locals Test?

Mr. Canon. Well, Mr. Chairman, that is a very good question, and one that we are looking at as part of the test. But there is some feeling on the part of many people that there are many communities in the country that need a direct challenge in order to stimulate and increase local support.

And so the test really has two parallel programs going: One in which we are making grants to the State Arts Agency on behalf of the group, a local arts agency, and others that are making grants directly to local arts agencies. It appears that both are needed at this particular stage.

Mr. Yates. I am not sure I understand why you said both are needed. Give me an example of where the State Arts Agency does not function in the way that will permit it to do what your Locals Test does.

COMPLEMENTARY LOCALS/STATE ARTS AGENCY FUNDING

Mr. Canon. Well, it is not a question of money, Mr. Chairman. For example, we could make a grant to the Arts Council in Memphis, let us say, and as a result of our direct grant they would be able to raise substantial new funds from city and county government, whereas, at the same time the State Agency of Tennessee may be making direct grants to many of the institutions within Memphis, as well.

So both appear to be necessary, and——

Mr. Yates. I do not see the distinction. Perhaps it is my fault that I do not see the distinction. Why, if you want to make a grant to Memphis, why can it not be done through the state, rather than directly? I do not understand that. Do you want to answer that?

Mr. Hodsoll. Well, let me add one thing to what he said.

The Locals Test program, sir, has really two components both of which are designed to increase local public funding, and also improve local process in terms of providing grants for the arts.

One aspect is direct grants to larger cities, like Memphis, which has a million or more people in it. And another aspect is to send money to a state Arts Agency, which then gets matched at the state level with new money, and then later matched by local arts agencies, as in the case in Oregon, in one of our earlier grants, so that smaller local arts agencies can increase their resources.

The reason for having this two-pronged program separate from the basic state grant program, or any other program that we have, is a feeling on our part that the nonprofit arts are, with the exception of the media arts, largely a local phenomenon. That is, the support systems for orchestras and museums are primarily within a city. The audiences exist within a city or a county.

And one of the pieces of the support puzzle that we felt had not really been stimulated by outside forces, and by that I mean either the Endowment or the state, was the local arts agency. The objective was to put the arts on the Mayor's agenda, the City Council's agenda, to make the arts more important in that locality.

So that was why we started this program. Another reason for doing it separate from the basic state grants was to provide for competition. Basically under the program you have localities, and sometimes states, or a consortium of localities, particularly in the rural states, compete with each other to see who can raise the most money, or who can establish the best process. Then we have a panel that judges who we are going to give the money to.

While this is a test program, and it is now in its evaluation stage, the initial results, I think, are fairly bullish, if I could say that. There has been $6 million, so far, in three years, thanks to this committee and the Congress, that have gone out in this program, $2 million each year. That has generated $27 million, in new, local, and state public appropriations for the arts, and because of the nature of the appropriations process at state and local levels in this respect, it is likely that these appropriations, this $27 million will continue on, even though our $6 million represents one time grants. So the leveraging impact of this has been quite great.

The second thing I would like to say, is that in at least a wide variety of the localities involved, we have also, I think, been able to use our leverage to improve the process whereby the moneys are distributed at the local level. That was a problem in many localities. But because our grant has strings attached, to make sure that when a locality comes in with its plan, that it must distribute the funds in accordance with some kind of peer review, some kind of committee, not just out of the Mayor's hip pocket, and so on, we may have built up a better process at the local level.

And thirdly, and finally—and since Memphis was mentioned, I will go back to that, because I have personally been there—it has really put the arts on the agenda of the Mayors, of the political leadership, and it is making it easier to raise money for the arts in those communities. I think the program has worked pretty well.

Mr. **Yates**. Easier than going to the states?

Mr. **Hodsoll**. In terms of the specific locality, yes, sir.

Mr. **Yates**. Does this cut out the opportunity for states to raise money in those cities? In their own type of challenge, perhaps?

Mr. **Hodsoll**. States to raise—I am sorry.

Mr. **Yates**. The State Arts Agencies themselves.

Mr. **Hodsoll**. To raise money in those cities?

Mr. **Yates**. To provide the kind of fundraising activities that the states resort to. We do it directly, does this prevent the states from doing the same thing?

Mr. **Hodsoll**. Well, the state will get its funds from the State Legislature, at state level.

Mr. **Yates**. Right. They also give grants to local communities.

Mr. **Hodsoll**. Oh, it gives—in terms of giving grants——

Mr. **Yates**. Yes, yes.

Mr. **Hodsoll**. It complements. The state is providing another source of money for the arts institution and the artists in that locality. We give money to the best in the area, presumably. Let us take Memphis, and carry it all the way through. We give money to the best institutions and artists in Memphis. The Tennessee Arts Commission will give to the ones that we give, plus some more. And finally, the City of Memphis will help do some of the things that go beyond that. And so you get this triad if you will, of public support, obviously along with private support, which is primarily local.

EVALUATION OF LOCALS PROGRAM

Mr. **Yates**. When will you make your evaluation?

Mr. **Canon**. Well, the evaluation is underway now, and will be completed by the end of the summer, and so we will be looking to next year for the disposition of this program.

Mr. **Yates**. Well, does this take money from the program, some $2 million that is going into this activity, does this take money from theater, and dance, and visual arts, and things of that sort?

Mr. **Hodsoll**. I suppose in any given budget if you did not have a Locals Test Program, the $2 million would be split up amongst the other programs, but I think that the——

Mr. **Yates**. Well, the reason I asked the question is because I think it is obvious. You have a cutback in funding now.

Now, you have to evaluate, to see whether or not the funds could be more wisely spent in programs, rather than in local testing, is that part of the evaluation?

Mr. **Hodsoll**. That will certainly be part of the evaluation. Where do we get the most bang, and also the most good for the arts for our money, exactly.

Mr. **Yates**. Thank you.

All right, the Media Arts.

Mr. Conroy has what, his anthology?

Well, bless you, Mr. Conroy.

Mr. **Conroy**. Please.

Mr. **Yates**. I hope they are suitably autographed. [Laughter.] By each of the artists.

Mr. **Conroy**. Thank you very much, sir.

Mr. **Yates**. Thank you, Mr, Conroy.

MEDIA ARTS PROGRAM

Brian, you are in the request at $9,050,000 as opposed to $12,215,000 so you are losing three million bucks. Is that the three million that we put in this year for you?

Mr. O'DOHERTY. Yes, it is. We thank you very much.

Mr. YATES. You are welcome.

How are you doing, what is happening to your three million dollar program which the Congress initiated?

Mr. O'DOHERTY. It has made us the source of envy, far and wide, and thank you for placing us in that position, we appreciate it.

Mr. YATES. I hope there have been suitable forms of entertainment for you around.

Mr. O'DOHERTY. I think the whole program, the whole venture is going to benefit, and will benefit mightily.

Mr. YATES. Tell me how.

Mr. O'DOHERTY. Would the chairman like to answer?

Mr. HODSOLL. No. Why don't you go ahead.

Mr. YATES. Tell us how. In other words, if——

Mr. O'DOHERTY. Which would you like first, radio or——

Mr. YATES. I would like to find out if it is good enough, why you should not have it on a yearly basis, and why it is stricken, and why it is a one shot deal.

Mr. O'DOHERTY. Well, I am not asking questions, but maybe you could answer that.

Mr. YATES. No, no, it is a one shot deal as far as OMB is concerned.

Mr. O'DOHERTY. Oh, I see

Mr. YATES. You have not requested it, so how good is it? If it is as good as you say it is, apart from the entertainement value, what reasons can you give us, so that we can repeat it?

MEDIA ARTS ACCOMPLISHMENTS

Mr. O'DOHERTY. I think that the media arts venture, in which you have always shown a great interest, and this goes back a long way, is a very successful venture.

I think if you look at the amount of money that the Endowment has, as compared to the amount of money that the major players in this game have, such as PBS, such as the Station Program Cooperative, and such as a few corporations, such as Exxon; and the small amount of money that PBS has, our moneys have been immensely valuable, because they are the one area in which judgments are made by panel, and our panel system is very respected. But I think that other panel systems may not be as stringent. Ours is not, shall we say, interfered with in any way by staff, as I think was pointed out by Frank Conroy before me.

The authority of these decisions has been very useful in a variety of ways. A progamming in the arts panel decision, gives applicants, immense clout with funders. The, the percentage of our support for most of these programming in the arts ventures is relatively low. I think that is a great tribute to this system, because ours is very often the core money that gets it going.

I think it is fair to say it is from the Endowment that the idea doing a series comes up. Why is there not a series, why is there not a public education, why not public access to, for instance, design arts and architecture?

Now, that particular question has been asked for several years. Coincidentally, once the Endowment got into it, a corporation began to fund a series on architecture. Our series on architecure will probably be on the air next spring, about a year from now, with support from several other funders; CPB, PBS, the American Institute of Architects, and Hayworth Corporation.

So the moneys you give us here have been great leverage money on the one part, but on the other hand, they also have been immensely important for pioneering, for saying what should be done, for seeing what should be done, and I think in that regard the panel system, as I pointed out, is an immensely useful and respected process.

WONDER WORKS

Mr. **Yates**. Now, do you have charge of putting programs like Anne of Green Gables on, or is that something that Mr. Frank Conroy would initiate?

Mr. **O'Doherty**. I am not familiar with that program.

Mr. **Yates**. Has anybody seen it? Is that not a wonderful program?

Mr. **O'Doherty**. Is that in Wonder Works?

Mr. **Yates**. Yes.

Mr. **O'Doherty**. Oh, yes, yes.

Mr. **Yates**. That was on last night. Did you not think it was great?

Mr. **O'Doherty**. Yes. Well, Wonder Works is terrific.

Mr. **Yates**. Yes.

Mr. **O'Doherty**. Wonder Works is great. I have not seen that particular one, but they cannot get corporations to back it.

Mr. **Yates**. Why can they not?

Mr. **O'Doherty**. Well, we asked that question, too.

Mr. **Yates**. And what answer did you get?

Mr. **O'Doherty**. Well the——

Mr. **Yates**. I can hardly wait.

Mr. **O'Doherty**. Well, the reason is, I think, that the corporations do not find childen a great commercial or buying audience.

Mr. **Yates**. Not even for cereals?

Mr. **O'Doherty**. Wonder Works has tried, in many, many areas, and corporations will not fund childrens' programming. Wonder Works is a marvelous program, Wonder Works has got all the prizes, it has got terrific writers, and first rate actors. The initiative there did not come from us, I should add. The initiative came from CPB. The CPB Board, at one point, decided that they wanted more childrens' programming, that there was not enough on the air, and they were perfectly right.

And so they put millions of dollars, $3.5 million initially, into Wonder Works, and we were a junior partner in that. We put in a small amount. I remember the first program, which I did see—I cannot remember what its title was—was a superbly produced and acted program.

COMMERCIAL SUPPORT FOR CHILDREN'S PROGRAMMING

But if you look at the record, they are not getting commercial support, and that is the reason they give.

Mr. **Yates**. Well, for the life of me, I cannot see why, at least this program I saw last night, which I follow, in the same way I used to follow Upstairs and Downstairs, you know, and the British television programs, I would think it would be a great commercial network program.

Mr. **O'Doherty**. It is very puzzling to us, Disney is now starting its children's program weekly. I think that is going to hurt Wonder Works.

Mr. **Yates**. Why will it hurt it?

Mr. **O'Doherty**. I think it will attract larger audiences, and Wonder Works is not now in competition with it. In a better world it would supplement it, but Disney——

Mr. **Yates**. Does Disney go on PBS?

Mr. **O'Doherty**. No.

Mr. **Yates**. You mean hurt the commercial outlet?

Mr. **O'Doherty**. No, Disney is now producing a children's film. Once a week, I think, is the frequency, on Sundays.

Mr. **Yates**. Is this on commercial?

Mr. **O'Doherty**. I do not know which network.

Mr. **Hodsoll**. I think it is CBS.

Mr. **O'Doherty**. But that is going to hurt the PBS audience, I do believe.

Mr. **Yates**. Why is that?

Mr. **O'Doherty**. Well, it has infinitely more production quality, more bucks, bigger stars, better time slot.

Mr. **Yates**. What does a series like Wonder Works cost?

Mr. **O'Doherty**. It is in the order of seven million a year.

Mr. **Yates**. Yes. A year. For all the Wonder Works' programs?

Mr. **O'Doherty**. For all the programs, yes.

Mr. **Yates**. I suppose Disney almost puts that into one, does it not

Mr. **O'Doherty**. Well, I would think they would put in over a million to each one, yes.

Mr. **Yates**. Yes.

Mr. **O'Doherty**. And this is a great enterprise by Disney, I am not in any way saying that this is unfortunate, I think it is very good. I may say, it may well be the example and success of Wonder Works that suggested to Disney that they get back into this business and recover some of that audience.

COMMERCIAL SUPPORT FOR ARTS PROGRAMMING

Not infrequently, let us put it that way, you find PBS series stimulating commercial responses. Do you remember Studio 8-H, which was a complete failure with NBC, but was stimulated by the success of such programs on PBS? It did not last on commercial television, but commercial television did try.

I think it is good when that happens, because from time to time one worries that PBS is becoming a sort of cultural ghetto vis-a-vis the networks, which are doing very little of that kind of work, and we would much prefer to have——

Mr. **Yates**. I had intended to hold a hearing, and try to organize it, with participants from BBC, from NEA, from NEH, and from the commercial networks, to find out why the commercial networks, one, did not put more so-called art films on, and two, why we were buying so much BBC works, and were not putting our own on.

And the first stop I made was to one of the commercial networks, and they said, no way would they put any arts films on, they said they are in the moneymaking business, and we just do not have the audiences for art films. I do not know whether that is true or not.

Mr. O'DOHERTY. I am afraid it is true.

Mr. YATES. That terminated my hearing very quickly.

Mr. O'DOHERTY. I am afraid that is true, and it is unfortunate. There used to be, particularly on CBS in the days of Paley and Stanton, a certain sense of responsibility towards culture, and I think that was exemplified by the——

Mr. YATES. You have it on a Sunday morning program, to a measure now.

Mr. O'DOHERTY. Yes, that is on the CBS Sunday Morning.

Mr. YATES. Yes. You do have an outlet.

Mr. O'DOHERTY. I beg your pardon?

Mr. YATES. You do have an outlet there. They do put on an arts chapter on this Sunday morning program.

Mr. O'DOHERTY. Well, the producer is one of the most exceptional people in commercial television, Shad Northshfield. He is a remarkable man, and there are very few like him around.

Mr. YATES. He is a very remarkable man. When I started out, oh, I guess in 1948, he was a Precinct Captain of mine, back in Chicago.

Mr. O'DOHERTY. No wonder he was successful.

Mr. YATES. So he says, because he was in independent——

Mr. O'DOHERTY. Did he get high ratings, Mr. Chairman?

Mr. YATES. No, I got elected. Well, at any rate, he tells me that every time I see him.

Mr. O'DOHERTY. Well, we all try to establish our Chicago connections.

Mr. YATES. Well, that is a remarkable program, I think.

Mr. O'DOHERTY. There are not many of his breed left.

Mr. YATES. No, that is the unfortunate part of about it, because it tends too much to commercialization, and I am afraid, that the tendency now is for PBS to move in that direction, because of the cutback of funding, and to move at least, I know Mr. Hodsoll does not like me to criticize this administration, but I think that this administration is moving more to the marketing of PBS programs to the point of where they are requiring commercials on the PBS stations. You see that more and more.

I would hope that the cutbacks in the budget that we are experiencing will not tend to continue the PBS as the cultural network and experimental network. It was established for that purpose, as apart from the commercial networks, and I hope it does not become too commercial.

At any rate, where are we? We are talking about the $3 million.

Mr. O'DOHERTY. We are talking about the $3 million, and we are talking about several effects that this two million dollars, and one million dollars, one million dollars for radio, and two million dollars for——

Mr. YATES. Right.

MEDIA ARTS PROGRAMMING

Mr. O'DOHERTY. So let us talk about programming and television.

Mr. YATES. Yes, now how are you going to go about it? What are you going to do?

Mr. O'DOHERTY. Well, I think the first thing you do in any situation like that is look over your ongoing series. And see what is the health of your ongoing series.

We have about seven or eight of them, and I think you know these very well. There is the American Playhouse, Live America——

Mr. YATES. Live America.

Mr. O'DOHERTY. Dance in America, which is part of great performances. Live from Lincoln Center, Live from the Met, and there is Wonder Works, and also we—I beg your pardon?

Mr. YATES. How are they doing?

Mr. O'DOHERTY. They are doing all right. It is more and more difficult to keep these programs healthy, the producers and the executive producers of these programs find it harder to keep things together. Because if a program survives on television for five years, there is a peculiar impulse on the part of many people to say what is wrong with it. It is a very strange phenomenon in this rather fast moving and slippery world of media.

Mr. YATES. Yes.

Mr. O'DOHERTY. So our concern, since these represent long-term investments on our part, is to do the best we can to keep these series together, to keep them going, to give them a little leeway whenever we can, and to support them in a way that will make private and other funders feel very strongly that they should maintain support for the programs.

Now, it is a difficult funding picture out there. But I think some of this two million dollars will help us to establish a little more stability in these particular programs.

Mr. YATES. Will you be expanding the number of your programs?

AMERICAN MASTERS

Mr. O'DOHERTY. Yes, American Masters is one that we are feeling very strongly about.

Mr. YATES. Are you talking about the painters and the sculptures?

Mr. O'DOHERTY. No. We are talking about everybody. The first series will be on the air in May, and that I think is going to be something quite remarkable. I think I can guarantee you that it will be a success.

Mr. YATES. Have you seen it?

Mr. O'DOHERTY. Yes. I have seen several of them. They have not been on the air.

Mr. YATES. Have they been on the air yet?

Mr. O'DOHERTY. No. They are going to be on the air in May. They are going to have something like a 14 or 15 week run, and the second series is in preparation. It is a very simple idea, but I think like many good ideas, it has a certain core that is irrefutable to it. And that is to take our living and past masters, in any of the arts, and to do definitive documentaries; a documentary is in some way the wrong word for the kind of thing we are after.

Definitive programs on each of them will be a model to the young, an instruction to those who are out there in the television audience, and be cherished by those who are experts in the field, because those are the people you must get, the young, the standard audience, and the specialists. They are also archives for the future.

Let me tell you some of these programs. There is one on Charlie Chaplin. Three actually, on Chaplin. We are calling him an American Master. There are two on Eugene O'Neill, one on Aaron Copland. And among the others are programs on Thomas Eakins, Issac Bashevis Singer, and Phillip Johnson, and many others.

So, we give funds to American Masters, which is situated at WNET in New York. We also fund individual programs, to help them along. The money that we have given to them has been matched, three to four times by a variety of foundations, because you can go to one foundation and say, look I have got something here on Thomas Eakins, are you interested? This particular program is funded by a very fine gentleman in Philadelphia, who has a keen interest in Eakins. He came in heavily for that. If you are funding a Singer, you have to find another source of matching funds. So the producer does it more or less individually.

We also have funded a program on George Stevens, Senior, by George Stevens, Junior. Ours was the first funding for that, and I think George Stevens, Junior is very clear about the fact that it enabled him to raise a lot more money, and get this one going. It is a superb film.

Other in the series are Hemingway, Fitzgerald and Wolfe, Alfred Stieglitz, Walker Evans, Harold Clurman.

Mr. YATES. Who?

Mr. O'DOHERTY. Harold Clurman is going to be a wonderful program. Lee Strasburg——

Mr. YATES. How do you decide who is an American Master? Who decides that?

Mr. O'DOHERTY. I think that is a very tough question to answer.

Mr. YATES. I do, too.

Mr. O'DOHERTY. There may be some names that I blink at a little when I see them funded, but——

Mr. YATES. Well, I know Harold Clurman, but I never considered him in the category of an American Master.

Mr. O'DOHERTY. Oh, I think he was one of the greatest teachers of acting ever, and he was just such an extraordinary personality.

SELECTION OF SUBJECTS FOR AMERICAN MASTERS

Mr. YATES. Was it you that made him a Master? Who made him a Master? How did Clurman get——

Mr. O'DOHERTY. Somebody came in, and said we want to do a great film on Harold Clurman.

Mr. YATES. So you made him a Master.

Mr. O'DOHERTY. And so the panel made him a Master.

Mr. YATES. Oh, do you have a Master Panel, that makes Masters? How do you do it?

Mr. O'Doherty. It is an application situation. It is in the guidelines that there is a program called American Masters. The panel, in essence, you see, and in fact, makes the decision. But the person who applies to us says I think so and so is an American Master, and I am going to apply for that.

Mr. Yates. In other words, so and so says so and so is a Master, and if he can go out and get the money he is a Master, right?

Mr. O'Doherty. Not if the panel does not approve it. Because it is the panel that makes that determination. And they are pretty sharp about it, I think.

Mr. Yates. What if the panel does not approve it, does that mean he is not a Master, even if he is a Master.

Mr. O'Doherty. Well, it may mean that the fellow——

Mr. Yates. Now, how many women are in your group?

Mr. O'Doherty. Marian Anderson, Lillian Gish, Martha Graham, Mary Lou Williams.

Mr. Yates. These are all Masters?

Mr. O'Doherty. Yes. Stella Adler.

Mr. Yates. These are what, Masters or Mistresses?

Mr. O'Doherty. They may have been, but I have no information on that.

Mr. Yates. These are in the series of American Masters?

Mr. O'Doherty. Oh, I see. Marian Anderson, Lillian Gish——

Mr. Yates. Well, why no visual artists.

Mr. O'Doherty. Well, we have Walker Evans, we have Thomas Eakins.

Mr. O'Doherty. Women, we have one.

Mr. O'Coherty. Women, we have one.

Mr. Yates. Why do you not have Georgia O'Keefe?

Mr. O'Doherty. Grace Hartigan, who used to be called George Hartigan, by the way.

Mr. Yates. George Hartigan?

Mr. O'Doherty. Yes, when she was——

Mr. Yates. I knew George Hartigan, but I never knew that she was a Master.

Mr. O'Doherty. Well, that is what the panel decided, and we are manfully supporting that point of view.

Mr. Yates. Who is your panel? Do you have the same panel that determines Masters?

Mr. O'Doherty. Yes, sir. It is the same panel that gives——

Mr. Yates. Really?

Mr. O'Doherty. They are not the same ones each year.

Mr. Hodsoll. Can I ask Brian a question?

Mr. Yates. You may, sure.

Mr. O'Doherty. Georgia O'Keefe, I should answer. Georgia O'Keefe is on it.

Mr. Yates. Yes, I wondered where she was. And I wondered about Louise Nevelson, for example, or is she not considered a Master?

Mr. O'Doherty. Oh, yes indeed. But you see, we cannot go out and say we want a film on Louise Nevelson.

Mr. Yates. Why can you not?

Mr. O'Doherty. Because——

Mr. Yates. You are in Humanities. Humanities has in its guidelines the examples of what the council thinks would be appropriate application. Let me tell you, I can remember one, on the Glorious Revolution. They thought that would be a fit subject for some applicant.

Now, I do not know why you cannot say is anybody interested in Louise Nevelson, or somebody interested in Georgia O'Keefe, or somebody interested in so and so.

Mr. O'Doherty. Well, in fairness to the agency, we have until——

Mr. Yates. Whatever happened to Mary Cassatt?

Mr. O'Doherty. Mary Cassatt?

Mr. Yates. Mary Cassatt, yes.

Mr. O'Doherty. We have——

Mr. Yates. Grace Hartigan is on my mind, or is she not an American?

Mr. O'Doherty. In fairness, we did fund films on Mary Cassatt, Louise Nevelson, and Georgia O'Keefe.

Mr. Yates. You did?

Mr. O'Doherty. Back in 1976. And I think the Georgia O'Keefe film——

Mr. Yates. You mean before they were Masters.

Mr. O'Doherty. Well, before the Endowment was struck with this idea of——

Mr. Hodsoll. If I could add something here.

Brian, you correct me if I am wrong. I think what we are talking about here is not the Endowment declaring a specific group of people as being Masters, but rather funding masters of the television art—who want to take somebody who would be considered of high quality in the arts, of high craft, whether or not they are one of the great national treasures of all time—to do a television program of somebody who is excellent, who has devoted his or her life to one art form or another.

And so you have a merger here, if you will, of the mastery of television, and that Master's interest in a particular other artist, and the quality of that other artist.

Mr. Yates. I am not sure I follow you on that, but I will try.

Mr. Hodsoll. Well, let me try it a different way.

DEFINITION OF "AMERICAN MASTERS"

Mr. Yates. Yes, when I think of masters, I think of a master in a particular function or activity.

Mr. Hodsoll. But we are not saying that these are the only masters, we are talking about somebody with great talent, putting a film together.

Mr. Yates. But you do, every year you select Masters. You give medals to them, do you not?

Mr. Hodsoll. Well, that is an entirely different program.

Mr. Yates. Yes, it is a different program, except you are designating certain people as Masters.

Mr. O'Doherty. The artist who is doing the television program is saying that they are worthy of a——

Mr. YATES. Television program.

Mr. O'DOHERTY [continuing]. Of a spot on the American Masters series. But the American Masters series——

Mr. YATES. Even though they may not be Masters.

Mr. O'DOHERTY. In an ultimate sense.

Mr. YATES. Yes, they may not be Masters, but they have been successful. In other words if Brian can raise, can find somebody, a couple of wealthy individuals who are willing to, you know, who was it, was it William Randolph Hearst who launched his wife as an opera singer, he had the money to do it, if William Randolph Hearst found Brian, if he were alive today and he found Brian, and he wanted to launch his wife as a great opera singer, he would come to Brian and say, "Brian, why do you not make a Master of my wife, and I will put up the money?"

Mr. O'DOHERTY. I do not think that Mr. Hearst's wife, if she is the way you are describing her, would qualify on any grounds. I think what you are talking about—we think Citizen Kane——

Mr. YATES. Well, that was Citizen Kane. Well, that has happened. I am trying to remember the other—well, it has happened from time to time.

Mr. SOUTHERN. The difficulty we seem to be having at the moment with Harold Clurman, it seems to me——

Mr. YATES. Well, what happened—no, no. I have no difficulty with Clurman. I agree that he was great.

Mr. SOUTHERN. Harold it, first of all, you know, certainly has a place in history as a critic and a teacher——

Mr. YATES. Sure.

Mr. SOUTHERN [continuing]. And a director in the Group Theater. I think that there may be another factor, though, which is that Harold, and probably some of the other individuals covered by this series is on film, and on video in ways that could be used in such a series, and some other individuals may not have that, may not have that record that could be used for programming purposes.

Mr. YATES. I will accept that, except that I still am impressed that the test of the Master is the ability to raise money, and put him on the air, is that what you are saying.

Mr. O'DOHERTY. I do not think it is the ability to raise money.

Mr. YATES. No, the ability to have money raised for him, and put him on the air, as for instance, Thomas Eakins, going to Philadelphia, and, therefore, Thomas Eakins went to Philadelphia and found a person who was willing to put the money up, and Eakins became a Master.

He happens to be a Master, but I mean——

Mr. O'DOHERTY. I think it is very important if one could manage not to overdefine or give guidelines or bureaucratize something if it is working. And by and large, this "Masters" idea has been working very well for the first few years

At this point, we need to make our guidelines a little tighter in some way or another. I do not quite know how. Do you not think it is better not to have——

Mr. YATES. Yes. I think it is a great idea. If I was great when he first announced it, and all of a sudden I come out with the fact that you may not have masters for your Masters program because of—well——

Mr. O'DOHERTY. I think we can spread the guilt here a little bit. When we get these applications in, we consult with the other programs, you know, if we get something——

Mr. YATES. I think maybe there ought to be some kind of—well, your panel selects the masters, does it not?

Mr. O'DOHERTY. Yes.

Mr. YATES. I do not remember what your answer was to my question. Do you have a masters panel?

Mr. O'DOHERTY. No, just as part of the programming in the arts panel.

Mr. YATES. Media?

Mr. O'DOHERTY. Yes.

Mr. YATES. You bring media people in, and somebody tells the media panel this is a master and we have this money available, is it alright; right? Or is that too crass a definition?

Mr. O'DOHERTY. I would never suggest that anything that you might say, sir, was remotely crass, but it is perhaps a little less graceful than the high standards you normally set.

Mr. YATES. How close to the truth is it? [Laughter.]

It is based on truth, is it not?

Mr. O'DOHERTY. Well——

Mr. YATES. Well, maybe you ought to have a masters panel, is what I am leading up to; not a media panel, but a masters panel. Then you pick your honors people every year. If you go on television, make them masters for sure, and have them passed by a masters panel.

You know, there are people in various pursuits who set themselves up for designating people for honors, for awards. You do it. I do not know how you do it. You pick them out. Who does it? Do you do it personally?

Mr. HODSOLL. No. Well, would you like me to describe that?

Mr. YATES. Sure.

SELECTION OF NATIONAL MEDAL OF ARTS RECIPIENTS

Mr. HODSOLL. Basically what we do is we send out in the beginning letters to people in the field, people on our panels, the National Council, anybody we can think of. It is basically a very open process. They then send in nominations.

In this last go-around, we had some——

Mr. YATES. Who do you send that to?

Mr. HODSOLL. Who does the letter go to?

Mr. YATES. Yes.

Mr. HODSOLL. Everybody we can think of. There are nearly a thousand letters that go out. If there is somebody that we have missed, we would be happy to send it to them, too. There is no closed process here.

In any event, then, in come the nominations with bios and so forth. The process has been picking up steam, so to speak, in the first year we had, I think, about 300 nominations with about a hundred candidates; this time we had approximately 600 nominations with 272 candidates.

In any event, once those nominations are in, we form a committee of the National Council because the law says that the national council will recommend to the President who should receive the Medal. And that committee comes in just before the National Council meets, and meets for about a day. The process is actually that since we have so many names, particularly at the beginning of the process, and they are all highly excellent—or virtually all of them are highly excellent—we ask each member of the committee to send us a ballot with their five highest ranked, those that each member of the committee would think should be the five highest ranked people.

We then put those on a list. The people come. I chair this group. And then I ask them if there has been anybody that has been left off that ought to be on here, and we spend a whole day discussing it and then come up with a list, that is voted on by the National Council and then that list is fowarded to the President.

Mr. YATES. What happens? Do they receive certificates or medals or what?

Mr. HODSOLL. Actually we commissioned, again under the statute, a medal. We went out to artists across the country, and the fellow who won was a fellow by the name of Bob Graham, who is an Hispanic sculptor from Los Angeles. He designed the Medal.

Have you not seen this, sir? I apologize. I will get you a picture of it. It is quite handsome. It hangs around their neck, basically.

Mr. YATES. Oh, you are following the Kennedy Center Awards pattern.

Mr. HODSOLL. I guess.

Mr. YATES. I do not mean to be so crass again. [Laughter.]

It seems to follow the Kennedy pattern.

Mr. HODSOLL. Well, I think we are following the pattern of lots of—we actually investigated medal ceremonies around the world.

Mr. YATES. Are your masters more distinctive than the Kennedy masters? Do you have competition between your masters and the Kennedy masters?

Mr. HODSOLL. No.

Mr. YATES. Do you have competition between your masters and the Kennedy masters and Brian's masters?

Mr. HODSOLL. No, Brian's masters are basically the television programming on the arts without regard to anything about national recognition. The Kennedy Center honors are performing arts only.

Mr. YATES. You do everything.

Mr. HODSOLL. Well, ours involve everything, and also I think there is a key distinction.

Mr. YATES. Are yours required to come forward and receive them?

Mr. HODSOLL. I am sorry?

Mr. YATES. Are yours living artists?

Mr. HODSOLL. Yes. They all have to be living.

Mr. YATES. And do they have to be able to come forward?

Mr. HODSOLL. No, they do not have to be able to come forward.

Mr. YATES. Well, the reason I ask is because of Irving Berlin who still is alive, and who is 98 years of age. I do not remember. Was he one of those that you——

Mr. HODSOLL. He has not received one. Has he gotten one from the Kennedy Center? I do not know.

Mr. **Yates**. The Kennedy Center cannot have, because they are required to come forward to receive it. That is the reason he has not been able to get it. I did not know whether yours was.

Mr. **Hodsoll**. No. For example, last year Georgia O'Keefe was unable to come forward. Carter Brown came forward on her behalf.

Mr. **Yates**. I see.

Mr. **Hodsoll**. We feel anyone who is alive is eligible. The difference, if I could, sir, is that it is not ours. It is whoever the President selects. It is the President's national medal under congressional act—it is not for fund-raising; it is strictly honorific, period.

Mr. **Yates**. You receive the medal and no monetary award.

Mr. **Hodsoll**. Just the medal.

Mr. **Yates**. Just the medal.

I know that the President gave awards to some. Was Irving Berlin one of them, by any chance? Do you remember who they were?

Mr. **Hodsoll**. No. Yes, I do remember who they were. Well, I would have to provide them all, but it included last year Georgia O'Keefe, Louise Nevelson, Ralph Ellison, Hallmark Cards as a corporation patron, Leontyne Price. I will get you a list of them.

Mr. **Yates**. We will put it in the record.

Mr. **Hodsoll**. Elliott Carter, the composer.

[Information follows:]

Recipients of the First National Medal of Arts
April 23, 1985

ELLIOTT CARTER, of New York, is a composer and the winner of two Pulitzer Prizes for music. His compositions include Piano Sonata (1946), Double Concerto for Piano and Harpsicord (1961), Piano Concerto (1965), and Night Fantasies (1980).

RALPH (WALDO) ELLISON, of New York, wrote the "Invisible Man" in 1952, a book called the most distinguished American novel of the post-war period by Book Week. His latest published work was a collection of essays, "Shadow and Act," an autobiography of the spirit and intellect, which was published in 1964.

JOSE VICENTE FERRER, of New York, has been a stage and screen actor since 1935. His stage and screen portrayal of Cyrano has won him acclaim and awards. He is also a director and has many roles on television.

MARTHA GRAHAM, of New York, is a dancer, teacher, choreographer, and directs her own dance company. Since 1926 Miss Graham has been a leading force in American Dance and is known throughout the world for her work.

LOUISE NEVELSON, of New York, originated environmental sculpture by assembling bits of materials in what she called a "unified whole." Her work is displayed in many major museums and she has used wood, plaster, terra cotta, stone, bronze, aluminum and other materials in her own sculptures.

LEONTYNE PRICE, of New York, first debuted on television but since 1955 has gone on to sing leading roles with the major opera companies of the world. She is famous for her performances in operas by Giuseppe Verdi.

GEORGIA O'KEEFFE, of Albuquerque, began her career as an advertising artist but now is world famous for her bleached animal skulls and giant flower blossoms. She has been honored by many retrospective shows and her work is displayed in leading museums.

HALLMARK CARDS, INC., of Kansas City, has been the sponsor of the Hallmark Hall of Fame for 34 years during which it has received 49 Emmy Awards. This giant corporation also supports a number of local arts institutions in towns and cities where it maintains facilities.

DOROTHY BUFFUM CHANDLER, of Los Angeles, is credited with the major effort behind the conception and construction of the Music Center of Los Angeles. The Dorothy Chandler Pavilion, a part of that performing center, is named for her in recognition of that effort.

LINCOLN KIRSTEIN, of New York, established the School of American Ballet and the New York City Ballet because he believed the United States should have its own classical ballet style. He has published many works on dance and continues to guide the school and the city ballet.

PAUL MELLON, of Washington, D.C., was instrumental in creating and endowing the National Gallery of Art. His collection of art, including prime examples of English art, has been donated to the Yale Center for British Art at Yale University.

ALICE TULLY, of New York, studied music and debuted in 1927 before becoming a patron of the arts. Her major gift to Lincoln Center resulted in the dedication of the Alice Tully Hall in 1969.

Background on Designer of the National Medal of Arts

Mr. Graham is a nationally renowned American Hispanic sculptor; he was the sculptor of the Olympic Gateway for the XXIII Olympiad in Los Angeles. He is a resident of Venice, California, and has had individual exhibitions in Los Angeles, Dallas, New York and Chicago in this country, and in Cologne, Hamburg, Berlin, London and Zurich abroad. He has been a part of group exhibits at the Whitney, the Art Institute of Chicago, the Los Angeles County Museum, and the San Francisco Museum of Modern Art.

Selection Process of the Designer of the Medal

Submissions for the design of the Medal were sought from over 300 artists; 31 artists forwarded proposals to a Council Committee which screened the submission in the first year and recommended three designs to the Council. The Graham design was the recommendation of the National Council on the Arts in 1985 and was approved by President Reagan.

Medal Description

The medal is cast in sterling silver; it measures 4 inches in diameter and is displayed with a gray grosgrain ribbon attached so that it can be suspended from a burnished brass stand. The medals are presented in a wooden box which has the President's seal embossed on the cover. A rosette in gray grosgrain is given to each recipient of the medal.

Mr. YATES. Going back to you again.

Mr. O'DOHERTY. Yes. Well, we were talking about the masters, yes.

Mr. YATES. We are through with the masters.

Mr. O'DOHERTY. By the way, may I say that if any of the Committee or you, sir, have a VCR at home——

Mr. YATES. I have a VCR at home.

Mr. O'DOHERTY. Is it Beta or VHS?

Mr. YATES. VHS.

Mr. O'DOHERTY. And if there are any of these programs that you would like to see, we would love to share them with you—but remember they are Government property and you should not copy them. [Laughter.]

We would be happy to make them available to you.

Mr. YATES. All right. I would love to see them.

Mr. O'DOHERTY. We shall do so.

Mr. YATES. I did not mean to cut you off. What else were you going to tell us?

Mr. O'DOHERTY. I was just going ahead on your general question.

Mr. YATES. You have less money this year under the reduced funding to take care of your immediate needs?

STATE OF MEDIA ARTS PROGRAM

Mr. O'DOHERTY. Well, our budget, if we exclude the addition to programming in the arts——

Mr. YATES. Is it the same as it was?

Mr. O'DOHERTY. Well, it is the same as it was in 1984. It is much the same, it was stringent but there was no great distress, shall I say.

Mr. YATES. So how much pressure do you feel? How much pressure is there out there in the media branch for greater funding? How many applicants do you have?

Mr. O'DOHERTY. In production, alone, we have something like 540 applicants this year.

Mr. YATES. And how many grants did you make?

Mr. O'DOHERTY. We made something like 25 grants.

AMERICAN FILM INSTITUTE

The other program that we have discussed here before, the program that is administered by the Film Institute, had 467 applications, of which they gave 14 grants. So they are intensely competitive.

Mr. YATES. What is intensely competitive?

Mr. O'DOHERTY. I beg your pardon?

Mr. YATES. Why does the Film Institute administer that program and you do not administer it?

Mr. O'DOHERTY. Well, I think——

Mr. YATES. We went into that last year.

Mr. O'DOHERTY. I was not going to say that. We have better answers this year.

Mr. YATES. Good. I did not think last year's were particularly good.

Mr. O'DOHERTY. I share your thought.

Mr. Yates. Okay.

Mr. O'Doherty. There are differences. The independent film-maker grants, that is, the ones given on the West Coast by the Film Institute, are one-time grants. When you have received a grant, you cannot apply again.

The Endowment grants are repetitive. You can apply again. So you find that the AFI gives grants to younger artists because the older ones cannot apply once they get it, while the ones given by the Endowment are frequently the more established artists.

All the AFI grants go to individuals. Our grants are divided between organizations and individuals.

The independent film-maker grants are $20,000 and ours are $25,000 to individuals, and $50,000 maximum for organizations. And generally, then, the organizational grants in the film video area that we administer are for more ambitious projects.

The amounts of money, 14 grants were given by the AFI last year out of, as I say, some 467 applications. The total was $240,000. And the NEA gave $441,000 to some 23 individuals and $319,000 to 11 organizations.

I think both of them have different profiles.

REGIONAL MEDIA CENTERS

Mr. Yates. Tell me how your regional centers work. Is that the network for giving out your grants?

Mr. O'Doherty. That is part of the network. We have just been talking about national grants; they are given nationally. Because of the disposition of both parties on each coast, the grants tend to concentrate on coasts and flow inward from there. So there is some overlap as they reach from their place of administration.

But the regional grants are an echelon below that, and they are given through seven media arts centers. They vary in amount, but they are small grants. The largest grant is $5,000.

Now, you may ask me what can you do with $5,000 for a film or a video situation. There is quite a lot you can do if you are working by yourself; if you can work with media centers where you can hire cameras and post-production equipment at costs far below what is available on the market.

Similarly, there is the chance of raising some other moneys. I must say that one of the exciting things about this is the fact that the states are beginning to come on this more and more, as I said last year. It has really been wonderful. The largest state grant was Pennsylvania this year, they came in for $44,860, and that is wonderful because our grants to the Center are $45,000 to $50,000.

We give seven of them so we are keeping a lot of things going in that production budget.

CANADIAN TELEFILM PROJECT

Mr. Yates. Are you familiar with the Telefilm project in Canada?

Mr. O'Doherty. Yes, I am.

Mr. Yates. Do you think that it should be adopted in this country?

Mr. O'DOHERTY. Well, I think we are doing our own kind of Telefilm that is perhaps more adapted to what our nature is. Canada is a smaller country in terms of population with vast distances to cover and a very strong culture just south of its border.

So they went into the things like Telefilm and the new broadcast fund that they are proposing. Their policy is to fund everything that will emphasize Canadian culture, Canadian product on Canadian television, and at the same time counter the ubiquitous presence of American programs on Canadian air.

Now, the startling difference between Canada and us in this regard is that Canada is putting money into commercial projects as well. They will put money into Canadian game shows. They will put money into anything that will keep that Canadian airway filled with Canadian product.

Mr. YATES. Do you know the amount they made available for Telefilm last year?

Mr. O'DOHERTY. Yes. Fifty million dollars.

Mr. YATES. That is right?

Mr. O'DOHERTY. Yes.

Mr. YATES. That is an enormous sum of money.

Mr. O'DOHERTY. Yes. I think they have got a ten percent tithe on something or other; I think it is on theatergoers, movie housegoers.

Mr. YATES. I thought it was a big sum of money for that purpose.

Mr. O'DOHERTY. It is a huge amount of money.

Mr. YATES. Yes.

Mr. O'DOHERTY. It really is.

Mr. YATES. Should there be a tithe for your work?

Mr. O'DOHERTY. That is a question that is——

Mr. YATES. As far as the BBC.

Mr. O'DOHERTY. Yes, the BBC has a tithe on television sets.

There is a peculiar, chaotic rationality to the way this country does things, as witness, the way PBS, CPB, and public television is funded. There is a peculiar system of checks and balances that sometimes gets out of gear and causes a lot of trouble. But we are not like anywhere else, and I would hate to see this country which pioneers so many things imitate other people. They are always imitating us, anyway. I think we should try and find our own way through these matters.

SUNDANCE INSTITUTE

For instance, Sundance is doing a little bit of that.

Mr. YATES. A little bit of what?

Mr. O'DOHERTY. A little bit of what Telefilm in Canada would be doing if it were funding quality, as it does at times, may I say, as is part of its——

Mr. YATES. Sundance is doing it? Where is Sundance getting the money?

Mr. O'DOHERTY. That is the fund that we help them get. They have a million dollars

Mr. YATES. Well, that does not provide for much of a program, does it?

Mr. O'DOHERTY. Oh, I can give you some examples of what has happened. Have you seen the movie "Trip to Bountiful"? The one with Geraldine Page?

Mr. YATES. No. I saw "El Norte," though.

Mr. O'DOHERTY. Well, that was a Sundance supported film

Mr. YATES. Yes.

Mr. O'DOHERTY. And I would strongly recommend, sir, that when the next seminars are on in June that you visit Sundance. It is exhilirating to go there and watch what happens, because you have, I think, the most significant crucible for a reenergizing of the independent feature film in this country.

Now, I can give you some examples of Sundance's activities, if I can find the right page.

Mr. YATES. Take your time.

Mr. O'DOHERTY. Yes. We gave a quarter of a million to Sundance some years ago, on the condition that they triple-match it. We talked about this a little bit last year, I think we have more information that will, I think, justify and support that idea.

They triple-matched it, and so with that million dollars, what did they do? They gave loans to feature film-makers. First of all, they know pretty well every independent feature film-maker in the country. They know what they are trying to do.

Mr. YATES. How do they know that? Is there a list of them?

Mr. O'DOHERTY. It is a network situation. Since Sundance got started, everybody with an independent feature film focuses on Sundance. They have applications from those each year who want to get into their workshops. They have——

Mr. YATES. Are they replacing AFI?

Mr. O'DOHERTY. Well, I do not think the AFI does this. The AFI is not in feature film production in any way. They are very distinct organizations. The AFI is a teaching and service organization. This is a production assistance organization.

And what it does is give loans. It insures. It has just completed an arrangement with Lloyd's of London for insurance of some of its projects, and it negotiates with distributors. For instance, they negotiated distribution for El Belizaire, the Cajun. As far as my memory goes, they negotiated an Orion distribution. No independent film-maker would ever be able to do that.

"TRIP TO BOUNTIFUL"

Now, let me tell you about the "Trip to Bountiful" and how the "Trip to Bountiful" would not be on screens unless this Sundance fund were there. I think you know the producer, Sterling VanWaggener. Sterling had his backers and had successfully raised the money. It was a Horton Foote script, I think, and it starred Geraldine Page and that woman who was in "Risky Business," Rebecca DeMornay.

Mr. YATES. Sounds like the French Revolution. DeMornay, was that not in "Tale of Two Cities"?

Mr. O'DOHERTY. DeMornay, yes.

The check from one of his backers, in classic fashion, was in the mail and had not arrived. So he was stuck without funds to pay his actors, his cameramen, his grips, and staff and writers, et cetera.

So what would have happened? He would have had to stop production for a week, and that meant he was going to double his costs for that week and more. He would run into scheduling problems with some of his stars if he went a week over budget or a week beyond, et cetera, et cetera.

So he got a $30,000 loan from Sundance to pay that week's debts and continued his movie. He paid back that loan the next week.

Now, a bank would not quite have done that because banks obviously recognize feature films, independent or not, as high risk ventures. So there was a little safety net under "Trip to Bountiful." Now it has been named again and again one of the ten best of the year. The star, Geraldine Page, has been nominated for an Academy Award.

Mr. YATES. This is "Trip to Bountiful"?

Mr. O'DOHERTY. "Trip to Bountiful," an independent feature film, about $1.6 million, I think.

Now, the production looks like about a $6 million film; it looks quite rich. But it was $1.6 million, which shows you what can be done by independents. And it does not have to say, "I am an independent film, I had to cut corners here." It looks good.

GROWTH OF INDEPENDENT FILM

Now, this is the sort of thing that we are after in this fund and it is a growing force in this country. The growth of independent feature film, I think is one of the major themes in media at the moment. And the connection between independent feature film, through an organization such as this, with professional talent, major actors, major studios, distribution organizations——

Mr. YATES. Apparently they no longer need you, do they?

Mr. O'DOHERTY. Oh, indeed they do.

Mr. YATES. You gave them a start.

Mr. O'DOHERTY. Well, they have not applied to us this year, but we gave them two grants in successive years of a quarter of a million dollars, which they matched three to one the first year and they have matched more than one to one the second year.

And I have a list and I would love to enter it into the record of the little things that have been done with it, because there really——

Mr. YATES. It may go into the record.

[Information follows:]

FILM PROJECTS DEVELOPED AT THE SUNDANCE INSTITUTE

WHERE ARE YOU GOING?

Writer: Tom Cole (adapted from a Joyce Carol Oates story); director: Joyce Chopra; producer: Martin Rosen; budget: $1 million.

OLD ENOUGH

Writer: Marisa Silver; director: Marisa Silver; producer: Dina Silver; production manager: Michael Nozik; budget: Unavailable.

THE RIVER RAT

Writer: Tom Rickman; director: Tom Rickman; producer: Bob Larson; executive producer: Michael Apted; production manager: Wally Werzler; budget: $5.2 million.

DEATH OF AN ANGEL

Writer: Petru Popescu; director: Petru Popescu; producer: Peter Burrell; executive producers: Dimitri Villard and Robby Wald; budget: $2.2 million.

DESERT BLOOM

Writer: Gene Corr; director: Gene Corr; producer: Mike Hausman; executive producer: Sundance Institute; budget: $6 million.

STACKING

Writer: Victoria Jenkins; director: Martin Rosen; producer: Martin Rosen; budget: $1.2 million.

PROMISED LAND

Writer: Michael Hoffman; director: Michael Hoffman; producer: Rick Stevenson; executive producer: Wildwood Enterprises; budget: $3 million.

ON THE TRAIL OF THE LONESOME PINE

Writers: Jill Godmillow and Mark Magill; director: Jill Godmillow; producer: Sandra Schulber; budget: $900,000.

84 CHARLIE MOPIC

Writer: Pat Duncan; director: Pat Duncan; producer: Michael Nolin; budget: $600,000.

JEWELS

Writer: Ann Makepeace; director: Ann Makepeace; producer: Doro Bachrach; budget: $1.5 million.

SWEET FLYPAPER OF LIFE

Writer: William Greaves; director: William Greaves; budget: $1.5 million.

HAPPY HOUR

Writers: Gary Jenneke and Steve Larson; director: John Hanson; producer: Tim Grady; budget: $1 million.

THE RIVER RUNS THROUGH IT

Writer: Bill Kittridge; director: Annick Smith.

Mr. O'DOHERTY. And they have been working out an arrangement with Jack Lang, for a particular picture. They have access to French security, making a film in France. France will back some of their risk.

Mr. YATES. Too bad this cannot be applied to the theaters in some way. The theaters are losing money so many places in the country, and this seems to be kind of an ingenious way of approaching the marketing of films.

I have often wondered as to how you could relate this to the theater, but I guess you cannot because you do not have the consumption power in theaters as you have here, do you?

Mr. O'DOHERTY. You do not have the same——

Mr. YATES. Can you combine them in some way, the media and the theater?

Mr. HODSOLL. Well, actually, Mr. Chairman, at Sundance, they do combine videotaping and production in dance. They did that last year when I was out there, and there is some interest in theater. On the other hand, I think there is a distinction——

Mr. YATES. What do you mean by some interest in theater?

Mr. **Hodsoll**. There was some interest on the part of both Bob Redford and some of the others out there, when I was there, of trying to have a greater relationship between nonprofit theater and plays that are put on by nonprofit theater and film, but you have an art form question here in that, by and large, theater pieces do not come off very well if you just set up a camera and take a picture of what goes on on stage You really almost automatically, when you get into film or television, are reconverting that which was a theater piece into a telepiece or film piece and so on. So there is that difficulty.

REASONS FOR SUCCESS OF SUNDANCE

But there is discussion about just that sort of thing. If I could make one other observation—and, Brian, correct me if you think I am wrong, we have not discussed this—I think the reason why Sundance is so successful and unique is because through the personalities involved, you have a real entré into the movie industry to help with the distribution——

Mr. **Yates**. More than AFI?

Mr. **Hodsoll**. In a different way, yes. In the case of feature film production, more than AFI, without question.

But the point I am really trying to make here is that you have a very healthy, at least by comparison to Broadway, a relatively healthy commercial film industry and certainly a healthy television industry; whereas, in theater you have a much more difficult situation with the commercial aspects of that.

But the key, in my view—and, Brian, you correct me if you think I am wrong—the key here is that, really, if it were not for Robert Redford getting a few of his friends together and saying, hey, let us go do this, this would not happen.

Mr. **O'Doherty**. That is perfectly true, yes.

It should be said it was a great vision on Redford's part and a generous vision.

Mr. **Yates**. Is Mr. Van Wagenen in this, too?

Mr. **O'Doherty**. Mr. Van Wagenen is—very much. He is a vice president of Sundance, With the success, by the way, of the "Trip to Bountiful," he has embarked on another career as well as the Sundance career. He has got a large grant to do the definitive film on Yellowstone.

Mr. **Yates**. What do you mean by the definitive film on Yellowstone? What can the film on Yellowstone be?

Mr. **O'Doherty**. Well, by definitive I mean that, if I may say so, when we get nature films, which are very popular now, there is a sort of secret wonder about does and things running around.

Mr. **Yates**. That is true.

Mr. **O'Doherty**. Nature films are almost like television deodorant commercials many years ago when people were running toward each other in slow motion. There is a certain sentimentality.

Mr. **Yates**. That was necessity. [Laughter.]

Mr. **O'Doherty**. So by definitive, I mean some of the ugliness and brutality of nature, some of the political struggle in making Yellowstone a national park, some of the issues that have to do with leisure and the politics of leisure, how it is always a struggle to preserve these places, the study of how are they consumed, et cetera. Rock climbing risk as a potential form of self-murder, all this sort of things.

I am guessing. I do not know. That is what I think it might be.

Mr. **Yates**. A pretty good guess.

Have we finished the media?

Mr. **O'Doherty**. I hope so.

Mr. **Yates**. Oh, we have not talked about radio. I got so enamored of what you were saying on television. Tell us about radio.

RADIO

Mr. **O'Doherty**. Yes, we have Don Druker, who is in charge of radio for the Endowment, and he is infinitely more erudite than I am. He is the radio coordinator and also in charge of radio at the——

Mr. **Yates**. All right. Mr. Druker, do you want to sit here?

Mr. **O'Doherty**. And he speaks a language I do not know.

Mr. **Druker**. Where do you want me to sit, sir?

Mr. **Yates**. You can sit right there. Mr. Loeffler is running for governor and will not be here today. [Laughter.]

Tell us how radio works under your expert tutelage.

Mr. **Druker**. Well, it is going on rather well. We have just finished the panel meeting, and we have awarded 62 grants. We have had a lot——

Mr. **Yates**. Out of how many applications?

Mr. **Druker**. We had 154 applications.

Mr. **Yates**. You do better than they do in television?

Mr. **Druker**. Yes. I think one of the reasons is that quite a few of those are requesting very small amounts, so it is easier for the panel to deal with small requests.

Mr. **Yates**. How will the extra million dollars help you?

Mr. **Druker**. Well, we have had a lot of discussions with NPR. The million dollars was earmarked for NPR, so that made the process relatively easy.

We have had a couple of meetings already; we are having another one at the end of this week.

Mr. **Yates**. Does it look promising?

Mr. **Druker**. It looks very promising. And, in fact, I think what you're going to see are some extraordinary advances in the presentation of music on public radio as well as a big boost for the art of the documentary.

Mr. **Yates**. The art of the documentary?

Mr. **Druker**. The art of the sound documentary, which is something that has been overlooked. And I think we will be able to——

Mr. **Yates**. What is the sound documentary? What do you mean by that?

Mr. **Druker**. Well, it is a particular kind of radio production that gives the listener a real feeling for the place, the almost physical/sensual experience of being in a place or being in the middle of a situation or experiencing an event. This is something that radio producers, that we have been funding over the years, do very well.

Mr. **Yates**. Give me an example.

Mr. Druker. Okay. We funded a series produced by a brilliant radio documentary producer named Jay Allison called "Living in the Arts." What Jay did was to depart dramatically from the straightforward reportage.

Rather what he did was to spend time with a lot of artists and create pieces that genuinely conveyed the experience in sound, and because radio, the sound medium, is an art of the imagination, you can generally go farther with sound than you can with pictures, giving the listener a sense of what it feels like to be that artist, to be that particular person. One piece was a dual interview with Merce Cunningham and John Cage that was structured like a John Cage musical composition.

And he also then did some thematic pieces in that series.

Mr. Yates. Like the definitive Yellowstone, being near Old Faithful.

Mr. Druker. If you like. Some were definitive. Some were not.

Mr. Yates. Okay. All right. So you think you are well on your way in that program. Do you want more money for it?

Mr. Druker. If you have more money, you spend it. We do the best we can at every level. I do not think a change in funding one way or another is going to affect our doing the best we can.

Mr. Yates. Well, no. I know that. The question is what could you do with more money and what can you do with the amount you have? You have told us what you are doing with the amount you have. With more money what could you do?

Mr. Druker. Well, there are some other things that are happening with the amount that we have. There will be some additional money going into the presentation of folk music and the performing arts involved with folk tradition on radio, more of that than there has been in the past, and I think that is——

Mr. Yates. What does that mean? Country music?

Mr. Druker. Well, no. When you say country music, that is more of a commercial marketing term than it is an aesthetic category.

And I think in the future we will be able to move into areas that I find particularly intriguing, areas like presentation of drama and literature. We have funded a lot of drama on public radio in the past. In fact, we have recommended more grants for drama than any other particular genre.

But it has been fairly disparate. There have been some very good series, there have been some very good single productions, but I think that a breakthrough vehicle to present drama and literature on the radio is the next big push that we should make. Someday we will be able to do that.

Mr. Yates. Did the committee make a mistake in not also including American Public Radio?

Mr. Druker. American Public Radio started as a consortium of some of the major stations in the Public Radio System which found decided it made more sense for them to pool their resources, to be able to market more efficiently the high quality programming they were producing, and also to raise money for production. Since the inception of APR, they have put together a substantial production fund.

They are not strictly a network. At least not in the sense of managing an interconnection of stations the way NPR does; they are more of a producing/marketing consortium. And to be a member of the American Public Radio does not preclude membership in NPR. In fact, as far as we know, most of the members of APR are also NPR affiliate stations.

Mr. HODSOLL. Can I add to that?

Mr. YATES. Sure.

Mr. HODSOLL. That does not entirely answer the question. Before I do, I do not know whether it was a mistake or not, because I think NPR needs money; you know, a lot of people do. That is not the issue.

Mr. YATES. Sure.

Mr. HODSOLL. But before we learned, I guess definitively, Mr. Chairman, that NPR was specifically what this committee had in mind last year, we had internally done up some thoughts as to where the radio money could be best spent. And in the course of that, there were a number of entities, and NPR was certainly among them, probably the largest single entity. But APR factored in and so did some independents, because when you are talking about arts programming on radio, you have a variety of places that that comes from. And I think our feeling was that if there are to be other funds for this in the future that it would be better to leave it open to a panel process in which NPR would certainly be, without question, one of the eligible candidates, but not the exclusive place to which the money would go.

Mr. YATES. What are the alternatives to NPR?

Mr. HODSOLL. Well, there is NPR; there is APR. For example, Garrison Keillor's "A Prairie Home Companion" happens to be done on APR, but there are also independent radio stations that produce some of this. Let me stop.

Mr. YATES. No, go ahead.

Mr. HODSOLL. No, I am sorry. There are also independent radio stations that do productions. Maybe, Don, you could just mention some of the things that were in that spread sheet that you showed me. I turn to Don on that.

UNIVERSE OF RADIO PROGRAMMING

Mr. DRUKER. The universe that we are talking about includes National Public Radio, which is a producing organization, and the affiliated stations of National Public Radio, one of which is KSJN in Minneapolis, which produces "A Prairie Home Companion," which is distributed through American Public Radio.

There are also hundreds of community stations represented by the National Federation Community Broadcasters. There are independent production companies like Yuri Rasovsky's National Radio Theater of Chicago and individual artists who produce and distribute their work to the system.

Mr. YATES. That are barred from this because of the designations for NPR?

Mr. DRUKER. Well, in this round, yes. They would not be eligible to apply, but in future, were we to do this again, clearly there is the capacity within the system for a variety of program suppliers to develop vehicles that could ultimately have been distributed via National Public Radio or APR or independently. And, in fact, one of the subjects of our discussion with NPR was a series currently being produced by one of the stations, which is being distributed by NPR now, and that will continue. The situation for that particular series, the American Jazz Radio Festival, will be substantially improved because WBGO in Newark, the producing station, will be able to create events for the series rather than simply remains bound to the schedule of the various clubs and festivals the series goes to for the performance it records.

Mr. **Yates**. Okay.

Mr. **Druker**. So everything is connected in public radio.

Mr. **Yates**. Well, we will keep that in mind. Thank you very much. Do you have anything else you want to tell me about media?

Mr. **O'Doherty**. No.

Mr. **Yates**. Radio or television?

Mr. **O'Doherty**. Not a thing, no.

Mr. **Yates**. Is that your entire media, radio and television?

Mr. **O'Doherty**. No. We are just delighted to have the opportunity. One last word on the $3 million. When we talk again, we would welcome the opportunity, even informally, to tell you what is happening with it as it happens. There are going to be some very exciting things that I would hesitate to talk about in detail now because they are in process. But I think we can satisfy the committee that their funds will be very well spent.

MUSEUMS PROGRAM

Mr. **Yates**. All right. Thank you.

Now, we will go to museums. Mr. Oliver, were you not here last year?

Mr. **Oliver**. Yes, sir, I was.

Mr. **Yates**. Of course you were. You come from the textile museum.

Mr. **Oliver**. Yes, I do.

Mr. **Yates**. I remember you. You are a member.

Do you have enough money, Mr. Oliver, for your activity?

Mr. **Oliver**. Yes, I think we have had enough money and I think we will have enough money to pursue our programs.

Mr. **Yates**. All right.

Up to now, nothing has suffered, has it, none of your activities have suffered as a result of the cut. He is going to have enough money; Brian is going to have enough money; everybody is going to have enough money.

Why then do we have to go back to above $144 million? [Laughter.]

Did Mr. Conroy object to the amount of money he is getting?

Mr. Conroy, did you object?

Mr. **Conroy**. No. [Laughter.]

Mr. **Yates**. And Mr. Oliver comes along and says the museums are going to do all right with the $11,300,000. Okay. All right.

How many applicants did you have last year, Mr. Oliver?

Mr. **Oliver**. We had about 1,100 applications, a little more than that.

Mr. **Yates**. And how many grants did you make?

Mr. **Oliver**. And we granted about half of those, some 550.

Mr. **Yates**. Five hundred fifty, all right.

Mr. **Oliver**. That is for fiscal year 1986. We have just concluded our cycle.

We had a panel meeting last week, so we have all of the figures in now.

Mr. **Yates**. What would you lose as a result of this—well, you do not have much of a reduction; you lose $400,000.

EFFECTS OF CUTS ON MUSEUMS PROGRAM

What will you lose through your loss of $400,000?

Mr. **Oliver**. Well, what we have done in the last two years is to change the deadline and review cycle of our special exhibitions category, which meant that we held three deadlines in reviews within two fiscal years.

This means that part of the reduction comes as a result of not having to have two special exhibition reviews within one fiscal year.

What we wanted to do was to put the deadline and review cycle for the special exhibitions category at the end of the fiscal year so that we would know what the appropriation to the Endowment, and the allocation to our program, would be. Special exhibitions accounts for some 40 to 43 percent of the funds that we spend. So, it seemed appropriate to know exactly what we would have to spend so that, as has happened in the last several years, with increased money coming to the program, we have gone back to some of the grants we have made and increased them, or have added new grants to the category.

It also means that with the application review taking place, as it did last week, and going to council in May, we can let museums know sometime in the late spring or early summer what one of their principal sources of funds for their special exhibitions will be at the beginning of their season.

Mr. **Yates**. I made a mistake. I see that the loss is $2,200,000, do you not?

Mr. **Oliver**. We lose about $2 million, yes, we do.

Mr. **Yates**. $2 million.

And you are not hurt by that really?

Mr. **Oliver**. Well, I have maintained in past years that it is how we spend the money which accounts for the effectiveness of our program more than how much we have to spend.

Mr. **Yates**. That may be true. It is how you spend your money when you have more money, too, is it not?

If you had $2 million more, you could still have a test of effective spending, could you not?

Mr. **Oliver**. If we had $2 million more, we would certainly find a way to spend it.

Mr. **Yates**. Well, yes. You have it this year. And you found a way to spend it. Now you are going to have to find a way to unspend it, right?

SPECIAL ARTISTIC INITIATIVE

Mr. **Oliver**. Well, in the process, we are establishing a new initiative in the amount of $500,000 which we think will achieve a higher proportion of effectiveness than whatever loss we might suffer. By that, I mean the $500,000 that we are putting into what we call a special artistic initiative, which is designed to encourage selected museums to do long-term programming, particularly, but not limited, to their permanent collections.

I say this because we have witnessed over the last four or five years a great number of new museum buildings, not new museums, but new structures of already existing corporate entities.

The well-known ones obviously are the Museum of Contemporary Art in Los Angeles, the High Museum in Atlanta, but now we have also the Fort Lauderdale Museum, the wonderful university museum at Marquette University, which we find are often in search of good programming. These museums are often the result of civic pride. They are designed by well-known architects. They serve as much as civic centers as art museums. And very frequently they are reasonably well funded and the recipients of numerous grants.

But they are in search of programming. And I think we at the endowment can be very effective in our museum programming, encouraging selected models with good directors and curators and supportive boards of trustees to do sequential programming involving exhibitions, publications, and educational programs. So that audiences will come back and understand what the long-term means for them.

I think that the $500,000 that we are putting into the special artistic initiative has great meaning for fiscal year 1987, and will tend to outweigh any potential cuts that are coming our way.

Mr. YATES. Do you have an opinion as to how valuable the funding through IMS is?

VALUE OF INSTITUTE FOR MUSEUM SERVICES

Mr. OLIVER. Well, the IMS provides two types of funds.

Mr. YATES. That is right. Different from yours.

Mr. OLIVER. One, which is a major part of their funding, is general operating support, which goes, of course, to all different kinds of museums, and also includes zoological and botanical gardens.

On the other hand, they provide program funds for conservation to the tune of some $3 million, I believe.

Mr. YATES. And that is important, is it not?

Mr. OLIVER. Of that sum, about one-quarter goes to art museums.

Mr. YATES. Really? Is that all?

Mr. OLIVER. Well, I did a survey both in this round and in the previous round by talking to my colleagues at the IMS to see exactly what the application/grant ratio is. And it came out within a percentage point of 25 percent on both occasions.

All other applications for conservation would lie outside the scope of our program.

Mr. YATES. Is that because of the amount of money they have, the $21 million, that they only use 25 percent for conservation purposes?

The rest of it, of course, as I understand it, apart from administrative costs, goes to the bread and butter expenses of the museums?

Mr. **Oliver**. Well, let me just think.

I cannot remember exactly what their programming budget is, but it is something in the order of $18 million or $19 million, out of which $3 million, one-sixth I guess, is for conservation. And of that $3 million, only one-quarter is for art museums.

Mr. **Yates**. Where does the rest of it go?

Mr. **Oliver**. And the rest of that goes to science museums, historical societies, and zoological and botanical gardens.

Mr. **Yates**. That is because there are so many?

Mr. **Oliver**. That is because they are——

Mr. **Yates**. They have an enormous number of museums.

Well, you were a textile museum operator. You know the need for money, do you not? Did you need it for conservation of your textiles?

CONSERVATION ACTIVITIES

Mr. **Oliver**. We had a full-time conservator on the staff, whose salary we paid willingly and gladly every year. We had great need for conservation.

Mr. **Yates**. Right.

Mr. **Oliver**. At the same time, we recognize that a single conservator within our staff, could only accomplish so much in a given year.

Mr. **Yates**. He could not accomplish very much with all the textiles and materials that you have at the textile museum, could he?

Mr. **Oliver**. Well, we practice, I think, what we call preventive maintenance as much as anything else, and try on the first hand to secure our collection for the long-term, and then begin working on priorities within the collection.

Mr. **Yates**. Now, is this what most of the museums do?

Mr. **Oliver**. I think so.

Mr. **Yates**. Because they recognize the limitation of their funds, do they not?

Mr. **Oliver**. There is a finite number of conservators that exist in this country. There are four graduate training centers of conservators, who turn out somewhere on the order of 25 to 30, maybe 35 conservators with degrees, often with degrees in art history at the same time, who enter the pool of conservators who can be hired or retained by a museum. Some of them go into private practice. They just prefer to go that route. The rest get hired as assistants in art museums and become part of the regular staff of a museum.

I think what has happened in the last 20 years, certainly in the last 25 years, when I first began my museum career, was that conservation departments have become a regular department in museums. There were very few museums in 1960 that had conservation departments, and the departments often went under the name of repair shop. The consciousness of museums has been raised in the intervening 25 years. Salaries of conservators have been raised dramatically, so that now they equal those of curators.

Mr. **Yates**. Really.

Mr. **Oliver**. And within the administrative structure of a museum, if you have *x* number of curators, you have *x* number of conservators, there is only so much work that they can do. We all recognize, I think, and I have made this point before, even at this table, that there is probably 50 years of working out in front of us, but it is probably best to concentrate on the most needed cases and buy time by enhancing the physical space of storage and exhibition facilities, through such measures as climate control, until such time as technology catches up and allows us to do some of these jobs in a better fashion.

Mr. **YATES**. Is it your experience that private donors would provide museums with funds for conservation purposes?

Mr. **OLIVER**. Well, I know that some museums I have talked to have sought to embark on programs which would encourage private individuals and private corporations to adopt an object for conservation purposes.

I know that——

Mr. **YATES**. How successful is the program?

Mr. **OLIVER**. There have not been that many that have begun it, but those that have tried it have discovered that it works. And they have also discovered that it works if they hold an exhibition after conservation of the works that they have conserved.

Mr. **YATES**. That is kind of interesting. I keep thinking, well, how many corporations or individuals will you need for the Smithsonian if that were a private group? They have 75 million objects. And the Metropolitan Museum of New York, how many corporations would it need if you adopt one of the—there they would have to adopt a room or something?

Mr. **OLIVER**. Well, it is more cost-effective for the Metropolitan Museum to do it in another fashion.

Mr. **YATES**. Well, thank you very much. I appreciate what you have said.

Is there anything else you should tell us? Thank you very much. You have been very helpful.

Mr. **OLIVER**. Thank you.

MUSIC PROGRAM

Mr. **YATES**. All right. Music, a fanfare, $14.2 million down to what, $12.2 million. Well, sir——

Mr. **BIRDWELL**. Yes, sir.

Mr. **YATES**. You lose $2 million, do you not, Mr. Birdwell?

Mr. **BIRDWELL**. Yes, sir.

Mr. **YATES**. You do not look any the worse for it either.

How will that affect you? Will it hurt you?

EFFECTS OF CUTS ON MUSIC PROGRAMS

Mr. **BIRDWELL**. It is going to make things a bit tighter in the music program. I expect that the way that the panels will deal with this, for the main part, will be that some of the very major organizations with a good bit of stability, as well as the staffs and expertise to raise funds will be reduced. That is my expectation, having seen the music panel's work now for a year. That is how they will handle it.

I have a great many large institutions in music and——

Mr. **YATES**. You have symphonies?

Mr. **Birdwell**. Symphonies, major presenters which are in the multi-music category, such as Carnegie Hall, very major music festivals such as Tanglewood, Boston Festival, Aspen Festival.

Mr. **Yates**. Will they all be cut back?

Mr. **Birdwell**. Well, I cannot guarantee because that, of course, is the work of the panels. But knowing the philosophy of the panels, rather than cut off a worthy small organization altogether or reduce it below what is already a minimal grant, I would think that they will probably reduce larger grants—the philosophy being that these organizations are more sophisticated and have in-place developmental staffs and a supply of potential donors, corporate and private.

Mr. **Yates**. Well, these are your large institutions. What happens to your chamber orchestras?

Mr. **Birdwell**. The chamber orchestras, well, they fall into that category that I do not think will be affected that much—with the exception of the St. Paul Chamber Orchestra which is, for all practical purposes, a major orchestra.

They are those that are categorized by the American Symphony Orchestra League as metropolitan and regional orchestras. I think that the reduction of funding will occur in the higher budget operations.

Mr. **Yates**. Well, you will tell your panels, I assume this is true for all categories, you will tell your panels how much money is available, will you not?

Mr. **Birdwell**. Yes, sir, we do that.

Mr. **Yates**. And then you leave it up to the panels to distribute that money?

Mr. **Birdwell**. Yes.

Mr. **Yates**. Does the background of the panelists have anything to do with that at the time of the decision?

Mr. **Birdwell**. I am not sure I follow you, sir.

Mr. **Yates**. Well, you have a panelist who comes from a symphony orchestra. Is he likely to be more sympathetic to symphony orchestras to get more money?

Mr. **Birdwell**. Well, the symphony panel, the panel that considers all of the orchestras, is, for all practical purposes, a panel made up of symphony orchestra people. They are not all managers. They are conductors, they are members of the orchestras. There are critics, experts of one variety or another. But they are all people that are from the music field.

Mr. **Yates**. So, your symphony orchestra panel will decide which symphonies get how much money?

Mr. **Birdwell**. That is correct, sir. They will recommend.

MUSIC CATEGORY ALLOCATIONS

Mr. **Yates**. Will you start off by knowing how much money is allocated to the symphonies as opposed to chamber orchestras? Who makes that determination?

Mr. **Birdwell**. Well, when you say chamber orchestras, are you talking about chamber orchestras or chamber ensembles?

Mr. **Yates**. Quartets.

Mr. **Birdwell**. Oh. Okay. I am sorry.

When I spoke of chamber orchestras before——

Mr. YATES. I know. You were thinking of a bigger——

Mr. BIRDWELL. Yes, the St. Paul Chamber Orchestra.

Mr. YATES. That is right.

No. I am thinking of——

Mr. BIRDWELL. Chamber music.

Mr. YATES. Chamber music, quartets, and areas of that kind.

Mr. BIRDWELL. Well, the internal allocation of funds is a process that we go through in the agency.

Mr. HODSOLL. Can I add one sentence to that?

Mr. YATES. You may.

Mr. HODSOLL. In the budget submission, sir, we have our budget broken out by categories. And obviously if we get more money, as has been the case in the past, we then obviously vary those figures upward among the categories.

But you get a sense of how we would at least deal with $145 million by looking through this. This is for internal use only.

Mr. YATES. Okay.

So there is an allocation to each of the branches of your operation, and your panels deal with it on that basis?

Mr. BIRDWELL. Yes, sir.

Mr. YATES. All right. I see.

Well, you are losing $2 million, what will this affect?

EFFECTS OF CUTS ON ORCHESTRAS

Mr. BIRDWELL. Well, it is going to affect orchestras.

Mr. YATES. In what way?

Mr. BIRDWELL. They will go down from $9.5 million to——

Mr. YATES. How will it affect them?

Mr. BIRDWELL [continuing]. $7.9 million.

Mr. YATES. How will it affect them?

Mr. BIRDWELL. In the way I described earlier.

I think that you will see an orchestra that, say, has gotten $290,000 might get $275,000. Now, an orchestra that would get $290,000 would be in the $15 million to $22 million annual budget bracket. And so a reduction of $20,000 is something that a development department of an organization like that could deal with. The development officers will undoubtedly fuss about it, but they can in fact find another $20,000.

Mr. YATES. All right.

Will the quartet lose $20,000?

Mr. BIRDWELL. I should hope not. There are no quartets that we support that have a $20,000 budget.

But chamber music is an entirely different kind of an operation for the most part, and it is——

Mr. YATES. They are the ones that need the money, are they not?

Mr. BIRDWELL. Chamber music will be able to exist. It can exist on small funds. You are talking about organizations with small budgets. While the chamber music ensembles, and that is the category of organizations you are talking about—as is jazz ensembles—will lose $50,000, the reductions again will be fairly small individual reductions spread over a large number of ensembles.

We tend in that category to give a large number of rather small grants.

Mr. YATES. Okay.

A large orchestra may lose as much as $20,000. What will that $20,000 buy for them? Not very much, will it? What you are saying really is that a loss of $20,000 to a major orchestra is not very hurtful, is that what you are saying?

Mr. BIRDWELL. Well, it is a small amount in an $18 million or $20 million budget. I mean I do not want to make the sum of $20,000 sound like it is not worthwhile. As a former orchestra manager, I would dearly have loved to be able to find $20,000 when I opened the mail the next day as a donation.

But I am just saying—you asked me where the reductions would come from, and that is precisely where I envision that they will come from after having seen the orchestra panel work for two years now.

Mr. YATES. All right. Thank you.

OPERA-MUSICAL THEATER

Opera-Musical theater, Mr. Smith.

Well, you lost $141,000 last year, and this year is Mr. Hodsoll going to give it back to you, Mr. Smith?

Mr. SMITH. Well, I do not know that.

I should explain it a little bit in terms of the special consideration with opera and musical theater program.

We had a pilot project in our special projects category which was called Artistic Associates. This was something that was developed before I came to the endowment. But we put it into our guidelines, and our guidelines were not published until April of last year. The deadline for applications for that particular project was in the end of May.

So that there were really only two months for those applications to be received and decided on. And for that reason, we did not have many applications last year for FY 1986. So, as a result, we did not spend all the money that was allocated for the category. And some of that money is in that amount that you talk about.

Now, next year, we will have had a whole year of developing whatever the field will respond to in this particular private project. And we are hoping that we will have more applications for that particular project. So, therefore, that is why that amount of money is in the 1987 request.

Mr. YATES. Well, on page 78 of your justification, I read as follows:

> The fiscal situation for most opera companies is precarious, and in an increasing number of cases, deficits are being met by withdrawing funds from endowments. Such financial insecurity can potentially result in the programming of more conservative repertoire to guarantee box office appeal. Companies, therefore, need support to encourage the production of seldom performed works.

Well, if the financial situation of most opera companies is precarious, cuts are likely to hurt you, are they not? Let us see where do you go from, you go from $4.1 million to $3.1 million, right?

EFFECTS OF CUTS ON OPERA-MUSICAL THEATER PROGRAM

Mr. SOUTHERN. That is amazingly indifference. Last year's $2 million in deficit funds——

Mr. YATES. It is a million dollar cut.

Mr. HODSOLL. It is a million dollar cut, no matter how you take it.

Mr. YATES. What happens with the million dollar cut?

How many applicants did you have incidentally?

Mr. SMITH. In the total of the whole program, we had slightly over 300 last year, 330.

Mr. YATES. 330. And how many grants did you make?

Mr. SMITH. 181.

Mr. YATES. 181. Is that likely to go up? Is your number of applications likely to go up?

Mr. SMITH. My feeling is the number will go up but slightly, and the number of those funded will go down.

Mr. YATES. To what?

Mr. SMITH. Well, we have it here as 159. That is an educated guess.

As you know—well, I should make a statement about the program.

Our program is really in two parts. The one part, which is over two-thirds of our budget, is the help that we give to professional companies and also in regional touring. The other part is New American Works and Producers' grants. This is the generating of new work from the field.

The number of applications in this second category, is unpredictable from one year to the next because it is a question of how many people are out there writing and developing products.

Also we can never tell what percentage of those will be funded. A very low percentage of those is funded because we fund those, as we do others, on quality and, in many cases, our funding panel feels that only a few of them are deserving of being funded.

So that there will always be a lower percentage in that category, in the new work area, than there will be in the funding of professional companies.

As you see, in 1986 we had 92 grants out of 130 applications.

OPERA VS. MUSICAL THEATER

Mr. YATES. How much money is available for musical theaters as opposed to opera in the budget?

Mr. SMITH. We do not break that out in our program because we look at the whole range, from traditional or grand opera, all the way to experimental work—through what used to be called Broadway or such forms as traditional musical theater and, the operetta, and experimental musical theater. We consider the whole range of musical theater, or music theater, if you will. We do not break out what we spend for what could be called Broadway.

Mr. YATES. Well, does opera suffer as a result of that?

Mr. SMITH. No. Not in my estimation.

Mr. YATES. Well, does musical theater suffer as a result of it?

Mr. SMITH. I do not think so.

Mr. HODSOLL. If I could add to that. We did a study recently on the whole subject of opera and musical theater, and what has come to be called music theater, which is more on the experimental end. Because when we had our seminar on opera and musical theater in Chicago a year or so ago, there were a number of people from each of the respective fields, whether musical theater or opera, who wondered why they were all in the same room, to be blunt.

So we hired a guy by the name of Robert Marx, who used to be with the New York State Council on the Arts, and he did a study of all of these issues.

Basically, I think, in terms of our granting, it would be fair to say that musical theater might even do a little better because essentially you have to look at who applies to [illegible] We have opera companies exclusively apply to us in this program. I cannot think of any opera company that applies anywhere else. We have theater companies that apply both to this program and to the theater program. And their seasons may well include musical as well as other works. And then in the experimental area, the music theater area, you have groups or presenters apply to us in this program, in the interdisciplinary arts category of the inter-arts program, and even occasionally in the visual arts program, although that is likely to have much less of a performance aspect to it.

So the bottom line is that there are a variety of places for musical theater and music theater to apply. We are still looking at that, Mr. Chairman. And I think that as long as each of the programs knows what it is about, there is no undue benefit here from this.

Mr. YATES. Is there an undue loss?

Mr. HODSOLL. Or undue loss.

Mr. YATES. What else could you tell me about the state of the opera, Mr. Smith?

Is it good, bad or indifferent? Is it getting worse?

STATE OF OPERA-MUSICAL THEATER FIELD

Mr. SMITH. I think it is pretty good. I think both in opera and musical theater, I think we hear a lot, just to talk about both aspects, we hear a lot of scare stories. One is that there are no operas out there, no new operas.

Now, what I did say in my preamble, which you read, I believe to be true. I would not have put it down if I did not. Nonetheless, we did have in the last year the world premiere of a number of American operas. I think when you consider historically the number of operas that have survived is about 1 percent, I think that this group from last year is a pretty good group. And I think this year we are going to have another pretty good group, not quite as large as last year, but a group which includes some very good operas in it. And they are not being all done in New York or in Los Angeles or in San Francisco. They are being done around the country, in Norfolk, Virginia, and various other places.

So I think that the future of opera, at least in terms of new work, is encouraging. I would like to encourage more companies not only to do world premieres, but to do seldom-performed—that is, second and third performances—of these works. And that is what I am trying as Program Director, to encourage the opera companies to try to do that.

And we have built into our guidelines several ways in which they can take advantage of that.

In musical theater, I think that what has happened, the so-called death of Broadway which is not only because of economic reasons of Broadway, but for a number of other reasons—we have seen a number of things develop from that.

We have seen a whole bunch of workshops around the country which are staging performances of musical theater works of all kinds, and which well could produce a new generation of work which will eventually get to Broadway. In many cases, they will not get to Broadway.

I think that what I find encouraging is that the kind of work that is going on in places like La Jolla and Cambridge and various other places around the country which are developing work outside of the traditional New Haven-Philadelphia-Broadway locale.

So I think that what you are seeing here is a change in the whole—well, I would not say aesthetic as much as I would say in the logistics of the development of a musical, and also the widening in the definition. What we are looking at now is this idea of musical theater. It means a tremendously different thing to a younger generation than it meant even 10 or 15 years ago.

You are looking at pieces like Oedipus at Colonnus, you are looking at pieces like George Coates and various other performance works of that nature which vastly enlarge the territory that we are talking about when we speak about musical theater. You are no longer speaking only about South Pacific.

Mr. YATES. That is sad.

Mr. SMITH. No, I do not think it is sad at all. I think it is very encouraging.

Mr. YATES. For one who likes those lyrics.

Mr. SMITH. Well, I mean South Pacific is wonderful. We still have those lyrics. The wonderful thing about South Pacific is what we are now seeing with those pieces is that they are now becoming classics, and being treated as such.

If you remember last year, the New York Philharmonic did Steven Sondheim's Follies. It is now out on records, and I think it is the number 4 or 5 best selling record album.

Just three weeks ago, South Pacific itself was recorded with Jose Carreras and Kiri Te Kanawa, and will be released next fall.

Mr. YATES. How about West Side Story?

Mr. SMITH. West Side Story, of course, was earlier. That was about a year ago. It is still on the charts. It is still doing very well.

Mr. YATES. Are they doing this one too? Are they doing South Pacific?

Mr. SMITH. Kiri Te Kanawa is, yes.

Mr. YATES. Really.

Mr. SMITH. And it is being conducted by a very good musical theater man, Jonathan Tunick, who was on our——

Mr. YATES. For what? For records as West Side Story was?

Mr. SMITH. Yes. I am not sure—is it RCA?

Mr. YATES. Is it not being produced by the theater?

Mr. SMITH. No. It is done specifically for records.

Mr. **YATES**. Yes. As Leonard Bernstein did the West Side Story with Collonus and Carreras?

Mr. **SMITH**. Right, four records. Right, exactly.

Mr. **YATES**. Yes.

Mr. **SMITH**. So you are seeing more of this. And also, I mean in May we are seeing the New York Philharmonic doing a whole season of musical theater works, admittedly not West Side Story and that kind, much more experimental musical theater works.

So I think you are seeing a whole different approach to what we would call the musical theater field.

Mr. **YATES**. You are indeed. You are seeing it outside the theater, are you not?

Mr. **SMITH**. Well, I think you are seeing it in and outside.

Mr. **YATES**. Yes. You are seeing it on people's turntables.

Mr. **SMITH**. Well, in part, and in part the art and——

Mr. **YATES**. It has more wonderful stars than Carreras and Kiri Te Kanawa. And yet you do not have the opportunity of seeing that on the stage.

Mr. **SMITH**. Well, just a couple of nights ago, Brigadoon opened in New York and got very good reviews. And I am told it is a wonderful production with a first rate cast.

Mr. **HODSOLL**. It would be interesting to find out the degree—maybe you know, Patrick—the degree to which this is happening on record—in terms of revivals of the music comedy, to the degree on which it is happening on records without a live performance versus a live performance. I do not know whether we have any figures on that. I think that is what the chairman wants.

Mr. **SMITH**. Yes, there is that. I think it is a parallel development. In other words, I think what has happened here is that you have an opportunity to record these things with a cast member like a Carreras in it. And they would not be available to run for three or four weeks or two months in the theater because they have a whole other career that demands their attention. Nonetheless, they are able to give their artistry and, not only that, but to give their artistry for this kind of work.

Now, there are those who believe they should not be doing this, that they should be singing opera. I do not happen to agree with that.

Mr. **YATES**. Well, I do not know why they should not sing this as well as opera.

Okay. Thanks, Mr. Smith. I appreciate it.

Mr. **SMITH**. You are very welcome.

Mr. **YATES**. Now we come to theater.

I want to pass the Artists in Education temporarily, and talk about—oh, excuse me, that is later any way. Let me talk to Mr. Martenson.

THEATER PROGRAM

Mr. Martenson, oh, Mr. Martenson, tell us about how we are in theater, if you would.

Mr. **MARTENSON**. Well, sir, I think I have spoken to you in earlier years.

Mr. **YATES**. Yes, you have.

Mr. MARTENSON. About the relative youth of the theater field, and the extent to which it still is building. The language that is used in the submission to you here is to the effect that the theater field is still in its adolescence. This is something I firmly believe.

Mr. YATES. Still in its adolescence?

Mr. MARTENSON. Yes.

Mr. YATES. Even after Alfie, and after——

Mr. MARTENSON. I am speaking of the nonprofit theater filed, which was——

Mr. YATES. You mean adolescence as far as money making is concerned?

Mr. MARTENSON. As far as organizational development in the theater field. It, itself, was largely, in many ways, a reaction to the decline of Broadway as a home for creativity. Other elements of it were desired for decentralization from New York, and so forth, as well.

But, any way, Broadway began to decline as a creative home as early as the Twenties, and by the Fifties and Sixties it was a very difficult place to be for creative artists. So we have this nonprofit theater field, which is now still less than three years old, and is still trying to raise itself up by its bootstraps.

Mr. YATES. How is it doing?

Mr. MARTENSON. Well, I think——

Mr. YATES. You have to divide the country into Broadway and the rest of the country, do you not?

Mr. MARTENSON. I think you have to divide it into Broadway and the nonprofit theater, which really and truly is spread across the country. I think that is one way to think about it

Mr. YATES. Broadway, of course, is a testing place of its own, and the rest of the country is what we are interested in, the regional theaters.

Mr. MARTENSON. Yes.

Mr. YATES. And are they doing well?

STATE OF REGIONAL THEATER

Mr. MARTENSON. Well, I think there are success stories, and then there are the other kind of examples out there now, too. In general, this is the way I would try to characterize it. That because the field as whole is still very much on a growth curve, or in a developmental stage, and is pretty sensitive to the trends, both in audiences and in the funding community.

In the past few years, I would say starting with the end of the Seventies, that we came to a time when the field began to teeter on the brink, either of stagnation or leaning forward into another phase of artistic development. I think still, though, in the past few years, it seems to me we have been able to, to put it modestly, contribute to some momentum in that regard. But still it is a situation where the field is teetering between some forward momentum and what I would call the psychology of retrenchment, psychologically, I mean artistically.

So I think theaters are feeling very fragile these days. Contributions, in general, are not growing as fast as expenses.

Mr. Yates. They are not going to be able to depend on you as much, are they?

Mr. Martenson. Well, I think that is——

Mr. Yates. You took a cut of a million and a half dollars.

EFFECTS OF CUTS IN THEATER PROGRAM

Mr. Martenson. That is correct. These figures, I think, make that clear. The difference between the lower level that is proposed, and the higher level is a matter of a fraction of a percentage of the field's overall expenses. So I think it would be difficult to argue that the cut in and of itself was going to have a significant negative impact on the finances.

Mr. Yates. Is there an average grant that you give a theater?

Mr. Martenson. In the theater company grants, we are supporting about 185 companies now, and the average grant amount is about $40,000, that is from fiscal year 1985.

Mr. Yates. $40,000, that goes into a million and a half how much?

Mr. Martenson. It is about $4,000.

Mr. Yates. $4,000.

Mr. Martenson. A little under $4,000.

So this would be reducing the average grant to $36,000 or $37,000. In that 185 grants that we have now, in contrast to the average grant——

Mr. Yates. That assumes that there is a ratable reduction.

Mr. Martenson. That is correct.

Mr. Yates. Yes.

Mr. Martenson. I am speaking to the proposed budget.

Mr. Yates. Right. You propose just a ratable reduction across the board in the case of theaters, which is what your testimony would indicate?

Mr. Martenson. Yes, sir, at this time. That would contrast with the history of the past few years, where our support for companies has been pared down considerably in terms of the number of companies supported.

Mr. Yates. Is that because they have gone out of existence?

Mr. Martenson. No, sir. It is because the theater program, and with the advice of the panel, has been considerably more selective. And I think the panel feels——

Mr. Yates. Was it lacking of funds, or what?

Mr. Martenson. Well, it was partly a reaction to the leveling off of funding But, more precisely, I think the view on the panel's part, which I certainly supported, is that a higher degree of selectivity along artistic lines would be a useful thing.

Mr. Yates. How many institutions did you have?

Mr. Martenson. About 385.

Mr. Yates. Out of which you funded?

Mr. Martenson. 185, so it is just less than half.

I might say that the average grant in fiscal year 1985, which is the latest actual experience that we have, was $40,000, the median grant in that group was about $10,000. So that in a way the average grant figure distorts a little bit.

Well, I guess, what conclusion would I draw from that? That the amount of money that is there is, I think, in the ball park to do its principal job, which is to react to the excellence that is in the field, and in a sense to draw a picture of that, and to describe it.

The second job that it has, which is to provide the means for companies at various levels of artistic development to rise up higher, I think we are doing that job in a rather smaller number of companies that are getting support—probably about a quarter of the companies are getting support that one might call substantial in terms of their budget.

PRIVATE FUNDING

Mr. YATES. Well, are your regional theaters getting any help from corporations and private giving?

Mr. MARTENSON. Corporate funding is reported to be the fastest growing element of the funding picture.

Mr. YATES. For theater?

Mr. MARTENSON. For theater, and it now accounts, now ranks second or third, I believe, in the overall hierarchy of giving sources. The problem with corporate support, at least as it is reported to us by the theaters, is that whenever there is a substantial corporate donation given, it is tied to a specific project, so that it tends to influence programming, more than a less specific grant would do.

Mr. YATES. The Theater Communications Group had a study made up of the Foundation Center, the Conference Board, and the Council for Financial Aid to Education, which indicated that in the future corporate contributions may be limited, they talk about declining business volumes, and lower pretax profits. And there probably may be a downturn in the corporate support through the end of the 1980's.

Have you seen that study?

Mr. MARTENSON. I have not seen the study. I saw the report of the study you are quoting from, and I have no independent basis for evaluating that report.

Mr. YATES. Well, let us hope that it is wrong, because they need that help, do they not?

Mr. MARTENSON. Oh, yes, sir, they do.

Mr. YATES. They also need your help, do they not?

Mr. MARTENSON. Yes, sir.

Mr. YATES. And you are going to give it to them?

Mr. MARTENSON. Yes, sir.

Mr. YATES. All right. Anything else you want to tell me about the state of the theater?

PLANS FOR 1987 THEATER BUDGET

Mr. MARTENSON. I think that there are a couple of things that could be said about this 1987 budget. One is that in our approach to the companies, we now feel we are supporting just about the right number of companies, and there a reduction will be absorbed in lower amounts.

In contrast to that, in other areas, support to individuals, for example, we will try to keep the amounts up, and it will simply mean fewer grants, primarily for fellowships for playrights. And the same principle holds true in the artistic advancement area, where the budget allows for us to continue the ongoing ensembles initiative, with theaters that are already in the program, but not to expand it.

Mr. **Yates**. Thank you, Mr. Martenson.

VISUAL ARTS PROGRAM

Visual Arts, Mr. Andrews.

Let us see, you are having a reduction of 62 to 6,200, from what? Oh, you need $1 million then. Excuse me, $700,000. Will your Visual Arts be hurt by the loss of $700,000?

EFFECTS OF CUTS IN VISUAL ARTS PROGRAM

Mr. **Andrews**. Well, the first priority in my program has been the artists fellowship category. The direct support, the simplest mechanism we have to directly support visual artists, you will note in the budget, that this category is essentially preserved. That is our highest priority.

Where we have reductions in funding is in the other, organizational categories, and that will result then in increased competition in those categories, which is not necessarily bad. I think the direct support to individual artists, something that Frank Conroy mentioned in terms of the literature program, is maybe something that links our two programs.

We have diverse constituencies of artists all across the country, and their greatest single problem is day-to-day existence, and the ability to make their own work. So our support in that category remains essentially consistent with past levels of support.

Mr. **Yates**. How many applications did you have last year?

Mr. **Andrews**. Last year, we had over 6,000 applications.

Mr. **Yates**. Six thousand. How many did you grant?

Mr. **Andrews**. In 1985, 504. The vast bulk of that is individual artist fellowship category grants. We receive, in our two year cycle, going through all the disciplinaries of sculpture, photography, crafts, et cetera, about 12,000 applications from individuals. So we fund about five percent of those applicants, and that figure actually has stayed stable, again throughout the 20-year history of the program.

One reason for the large number was, it aided a lot of visual artists out there, but in our particular category, we do not have any entrance hoops to jump through in the guidelines, mostly because, in the visual arts, there really are not any requirements like there might be in literature, of being published twice, that sort of thing. Measuring sticks like educational record, exhibition record, really in the visual arts, would not have any meaning in terms of entrance requirements, so we get quite a cross section of career stages and talent levels.

NEW ART EXAMINER

Mr. **Yates**. I received a letter in connection with this so-called New Art Examiner, and that correspondence may go into the record at this point.

[Letter follows:]

Allison Gamble
2700 Q Street N.W.
Apt. 345A
Washington, D.C. 200007
9/27/85

Representative Sidney Yates
Room 2234
Rayburn House Office Building
Washington, D.C. 20515

Dear Congress Member,

I would like to bring the enclosed letters from the National Endowment for the Arts concerning the New Art Examiner to your attention. Evidently the New Art Examiner was denied funding last year by the NEA on unsupportable charges, and eventually was forced to award the publication a grant. This year the NEA has again denied the New Art Examiner funding on the grounds that the publication is not theoretical or critical enough. I feel the NEA's accusations are again unfounded.

The New Art Examiner provides a forum that no other art publication today does. The magazine goes beyond the confines of the New York art world; it addresses local art issues from offices in Chicago, Washington, D.C., Philadelphia, and New York. Most importantly, the New Art Examiner is concerned with the cultural and political context of the art world, and not criticism within a vacuum.

It seems clear to me that the problem lies within the funding policies of the NEA, and not with the New Art Examiner. Although I am firmly convinced of the necessity of the NEA and its positive contributions to our culture, I do not feel that its funding practices are beyond reproach. I believe this to be a serious problem of the Endowment, one worthy of investigation.

Sincerely,

Allison Gamble

EDITORIALS

Dear Reader,

In place of our normal editorials this month we are printing two letters received from the Visual Arts Program of the National Endowment of the Arts regarding the New Art Examiner 1983 and 1984 grant applications. A 1984 panel recommended $0 funding and at present this recommendation is under appeal. We therefore cannot make editorial comment.

However, we appealed the 1983 panel's recommendations and in so doing requested that the National Endowment furnish evidence of Mr. Faubion's report that the 1983 panel questioned the usefulness of the New Art Examiner as it "presents inaccurate information to its readers," as well as his report that the "panelists were disturbed by the editorial practices of the New Art Examiner, citing instances of inaccurate reporting which brought into question the seriousness of the publication in dealing with the nature of art and criticism." Mr. Hugh Southern, Deputy Chairman for Programs, subsequently conducted an investigation and could find no evidence for Mr. Faubion's report. Mr. Hodsoll, Chairman of the NEA, then proceeded to award the Examiner $2000 from the chairman's discretionary fund.

We invite our readers for a response, whether for publication or not.

Signed,
The Publisher

June 24, 1983

Dear Mr. Guthrie:

As you requested via phone last week, I am conveying to you comments on your publication made by panelists during the application review panel, March 3, 1983. After approval by the National Council and the chairman, most applicants called with questions concerning panel recommendations. The Visual Arts staff is happy to be of assistance, either by telephone, or, in your case, via letter.

Panelists reviewing applications from publications in our Visual Artist Forums category this year had mixed reactions to the *New Art Examiner*. On the one hand, they applauded your publication for championing the cause of regional artists, for reviewing artists outside New York City, and for supporting the careers of young writers and critics. On the other hand, however, panelists were disturbed by the editorial practices of the *NAE*, citing instances of inaccurate reporting which brought into question the seriousness of the publication in dealing with the nature of art and criticism.

Reduced funding is often employed by panelists to send a strong message to an ongoing grantee of our Program as evidence of their concern. Our panelists this year, as in the past, had much discussion about the *Examiner* and encountered considerable difficulty at arriving at a satisfactory recommendation. Realizing the value of regional art publications and the service they provide outside New York, panelists questioned the usefulness of such a service if the publication presents inaccurate information to its readers. The crux of the Endowment's operation is its peer panel review system. Panelists employed by the Visual Arts Program are chosen very carefully to represent different aspects of our field. They are all professionals and all take their responsibilities for reviewing their peers' applications very seriously.

I hope I have relayed this particular panel's concerns to you satisfactorally. Please call if you should wish to discuss this further.

Sincerely,
Michael Faubion,
Program Coordinator
Visual Arts Program

July 8, 1985

Dear Mr. Guthrie:

Thank you for your June 5 letter requesting a summary about your declined application to the visual artists forum category (A-85-008607), and your application to the same category (A-84-06940) which was reviewed last year and recommended for funding. Enclosed are copies.

Your request for copies of transcripts of the relevant panel deliberation have been referred to our Office of General Counsel for response. However, I can provide you with a summary of the panel's comments on your applications, which should furnish you with sufficient information if you wish to consider an appeal, and respond to the other requests in your letter.

This year's panel, using the FY 1985 forums guidelines and review criterion, made a clear distinction between the publication whose primary purpose was the presentation of critical or theoretical writing about the visual arts, and publications whose primary purpose was the presentation of views about visual arts activities or of information for artists and the field. To put it succinctly, the panel gave highest priority to publications which focussed on art criticism (or which presented original art created for, or transmitted by, the printed page), and accorded lowest priority to publications which focussed primarily on art journalism and news of interest to artists. This is consistent with the guidelines "bullets" under What We Fund (page 8, FY 1985 Visual Arts Grants to Organizations Guidelines)—"critical and theoretical art journals" and "publications that serve as alternative presenting forums for original works by professional artists."

In the case of the application requesting support for the *New Art Examiner*, the panel consensus was that the publication focused primarily on reportage and secondarily on criticism. This conclusion was based on review and discussion by panelists of several recent issues of the *Examiner* submitted with the application, (Summer 1984, through January 1985) and on review and discussion of information contained in the application narrative. The panel agreed that what critical writing the Examiner did contain appeared mostly in the form of short reviews with occasional feature-length criticism. The panel consensus was that the critical writing contained in the reviewed issues was of inconsistent quality. Your proposal, as summarized in the application, presented little information on the content of future issues, and therefore it was difficult for the panel to assess the *Examiner's* editorial direction and whether the *Examiner* intends to focus more on critical or theoretical writing.

Last year's panel wrestled with the problem of recommending support for critical and theoretical periodicals and periodicals which presented primarily news and information. The panel chose to recommend support for a few publications of the latter type if they appeared to be providing a valuable service to a regional or national constituency. Funding levels last year reflected the lower priority accorded these publications. The FY 1984 panel agreed that the *Examiner* was not primarily a critical journal, but the consensus to fund was based on the conclusion that your publication did contribute to a dialogue on issues of concern to the field and it did provide a voice for artists in the region where it focused its review coverage. This year's forums panel came to similar conclusions, but gave an increased priority to critical and theoretical art journals. If you wish to make a formal appeal for reconsideration, you must make request within 30 days of receipt of this letter.

Sincerely,
Richard Andrews
Director Visual Arts Program

The New Art
examiner
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September 30, 1985

Congressman Sidney Yates
2234 Rayburn Office Bldg.
Washington, D.C. 20515

Dear Mr. Yates,

I am writing to you as chairman of the House Appropriations Subcommittee on the Interior which oversees the National Endowment for the Arts and as a Congressman from Illinois with an interest in how the NEA affects the arts in your home state. For some years now my organization, the New Art Association which publishes The New Art Examiner, has had unusual problems with the National Endowment for the Arts. Mr. Yates, I am experienced enough to know the kind of problems which inevitably occur with government bureaucracies, delays, mislaid documents, and so on. What I am referring to is not of that kind. Nor am I complaining only because one or two grants were not as large as we might have wished, although that is certainly the case.

Our problem rather seems to be a continuing bias against us on the part of the visual arts staff, which results in actual falsehoods about our program gaining currency in the panels. Last year we appealed and were successful. This year once again we are forced to appeal. At this point we believe that our only recourse against continued injustice is to make our case directly to you.

To refresh your memory, Jane Allen, now art critic for the Washington Times, and I started The New Art Examiner 12 years ago. With considerable travail, we have developed the publication from an eight page regional tabloid to a national monthly publication with a budget of $440,000, and offices in Chicago, Washington, Philadelphia and New York. Among the writers whose articles appear in our pages are such internationally known critics as Robert Hughes, art critic for Time Magazine; Hilton Kramer, editor of The New Criterion, Peter Fuller, author of the "Naked Artist" and numerous other books, Wolfgang Max Faust , assistant professor at the College of Art in West Berlin and co-author with Gerd De Vries of "Hunger for Pictures: German Painting of Today," and Jane Allen who in 1984 was given the Manufacturers Hanover Trust/Art World Award for distinguished art criticism.

We are the only regional visual arts magazine to have made the conversion from a local to a national publication. Our audience is large and devoted; paid circulation is approximately 8000. At the heart of our philosophy is a commitment to Chicago and other regional art centers. We are the only national publication that as a matter of policy gives exposure to artists and writers living outside of New York City. We cover the most timely issues--art and politics, public sculpture, feminist art theory, art and money, the politics of criticism, the National Endowment itself--as well as printing approximately 35 reviews monthly from Illinois, Virginia, Washington, D.C., Pennsylvania, Minnesota, Iowa, Missouri, Ohio, Wisconsin, Illinois, Nebraska, Colorado and Michigan. This is absolutely in line with the stated purpose of the Visual Forums panel to which our application is directed: "Grants in this category support projects of national or regional significance that promote discourse among visual artists and/or between artists and the public."

Yet year after year, The New Art Examiner is recommended for an extremely low level of funding and finally this year zero funding, on totally specious grounds. Last year acting visual arts program director Michael Faubion cited "inaccurate reporting" as a reason for the low level of funding. When we appealed the decision, Mr. Hugh Southern, Deputy Chairman for Programs was unable to find any evidence of inaccuracies. The appeal was successful. Mr. Hodsoll awarded us an extra $2000 which scarcely makes up for the damage to our reputation. We found the staff's laxness shocking.

This year the reasons given for zero funding are that we primarily print "art journalism" and do not engage in serious critical or theoretical writing, that our commitment to criticism is "secondary." (see enclosed letter) This judgment was made presumably on the basis of our Summer 1984 through January 1985 issues, which we have enclosed for your perusal. In our view the charges are manifestly absurd.

First the charge that we primarily engage in "art journalism." It is true that the approximately 30 articles in said five issues were both readable and provocative, unlike much contemporary art writing. They include interviews with artists and critics, discussions of a wide range of issues, extended reviews of museum shows, in other words the staple fare of art magazines. But they also include extremely serious examinations of contemporary art and art theory by internationally known art critics.

What is "art journalism?" Is a lecture by Time Magazine art critic and author of "Shock of the New" Robert Hughes on "Art and Money" art journalism? The University of Chicago's Committee on Social Thought which co-sponsored the lecture clearly assumed it was a contribution to the definition of artistic values in our time and so did we when we printed it in the October and November 1984 issues. Is "A Theory of Feminist Criticism" by noted feminist Joanna Frueh in January 1985 journalism? Is an article by Franz Schulze "Imagism Redux: Revising Revisionist History" printed in the December 1984 issue journalism?

As for our commitment to criticism being secondary, we printed over 175 reviews during the period. We pay all our writers and the cost of our commitment to criticism is substantial. Perhaps the panel did not realize that the reviews are in small print so that we can print more of them, not because we value them less.

What is particularly degrading and absurd about all this is that almost all of the New York magazines that receive full or nearly full funding under this category publish either intermittently or quarterly. The Examiner publishes more reviews in a single issue than the others do in a full year. In terms of output, audience, editorial effort, overall quality of writing, or any other standard by which publications are normally judged, their commitment to criticism cannot even be compared with that of the New Art Examiner. We enclose some samples so that you can judge for yourself.

It is true that many of the other magazines rely almost completely on government funding for survival. Their subscription lists are small and they get little advertising. However, according to the guidelines, need is not a criteria. The chairman of the endowment, Mr. Frank Hodsoll has said over and over again that the only criterion for awards should be quality. I mention this because according to information we have received, one of the actual reasons why the Examiner was given zero funding this year was that the panel decided that it needed the money less. If this is true, the staff should have immediately corrected the panel.

What distresses us most in all this, however, is that we feel that The New Art Examiner has been a pioneering force in focusing attention on art and artists outside of New York, expanding their audience, developing critics in regional areas, and creating a truly national dialogue on art and art issues. For example the Examiner has done more to generate a national audience for Chicago art and art critics than any other non-profit institution in the city, bar none.

Surely our achievement fits directlv into the Congressional mandate to the National Endowment for the Arts. Yet at the NEA itself, we are treated like second class citizens, begging for the crumbs left over from the support of such important cultural magazines as "Bomb," "ZG" and "Real Life," Endowment money and support are terribly important to us. The Endowment imprimatur, as you know, can be enormously influential in shaking loose the private suport we desperately need to continue our work. When it is withheld, the implication is that the magazine is not worth supporting.

All we ask is that you look into the problem. We suspect that it is caused by both the exceedingly narrow outlook of the visual arts staff and the prevalence of insiders on the panels. It is worth noting that publications panel members usually end up with full-funding for their own magazines. At the very least we can ask why the largest, most successful non-profit visual arts magazine in the country has never been represented on an NEA panel.

Thank you for your assistance.

Sincerely yours,

Derek A. Guthrie, Publisher

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NATIONAL
ENDOWMENT
FOR
THE ARTS

WASHINGTON
D.C. 20506

A Federal agency advised by the
National Council on the Arts

July 8, 1985

Derek Guthrie, Publisher
New Art Examiner
930 F Street, N.W.
Suite 816
Washington, D.C. 20004

Dear Mr. Guthrie:

Thank you for your June 5 letter requesting a summary of panel comments about your declined application to the Visual Artists Forums category (A-85-008607), and your application to the same category (A84-006940) which was reviewed last year and recommended for funding.

Your request for copies of transcripts of the relevant panel's deliberations has been referred to our Office of General Counsel for response. However, I can provide you with a summary of the panel's comments on your applications, which should furnish you with sufficient information if you wish to consider an appeal, and respond to the other requests in your letter.

This year's panel, using the FY 1985 Forums guidelines and review criteria, made a clear distinction between publications whose primary purpose was the presentation of critical or theoretical writing about the visual arts, and publications whose primary purpose was the presentation of news about visual arts activities or of information for artists and the field. To put it succinctly, the panel gave highest priority to publications which focused on art criticism (or which presented original art created for, or transmitted by, the printed page), and accorded lowest priority to publications which focused primarily on art journalism and news of interest to artists. This is consistent with the guidelines "bullets" under What We fund (page 8, FY 1985 Visual Arts Grants to Organizations Guidelines) - "critical and theoretical art journals" and "publications that serve as alternative presenting forums for original works by professional artists."

In the case of the application requesting support for the New Art Examiner, the panel consensus was that the publication focused primarily on reportage and secondarily on criticism. This conclusion was based on review and discussion by panelists of several recent issues of the Examiner submitted with the application, (Summer 1984 through January 1985) and on review and discussion of information contained in the application narrative. The panel agreed that what critical writing the Examiner did contain appeared mostly in the form of short reviews with occasional feature-length criticism. The panel consensus was that the critical writing contained in the reviewed issues was of inconsistent quality. Your proposal, as summarized in the application, presented little information on the content of future issues, and therefore it was difficult for the panel to assess the Examiner's editorial direction and whether the Examiner intends to focus more on critical or theoretical writing.

Last year's panel wrestled with the problem of recommending support for critical and theoretical periodicals and periodicals which presented primarily news and information. That panel chose to recommend support for a few publications of the latter type if they appeared to be providing a valuable service to a regional or national constituency. Funding levels last year reflected the lower priority accorded these publications. The FY 84 panel agreed that the Examiner was not primarily a critical journal, but the consensus to fund was based on the conclusion that your publication did contribute to a dialogue on issues of concern to the field and it did provide a voice for artists in the regions where it focused its review coverage. This year's Forums panel came to similar conclusions, but gave an increased priority to critical and theoretical art journals.

If you wish to make a formal appeal for reconsideration of your declined application, you must make such a request within 30 days of the receipt of this letter. Please make your request to Hugh Southern, Deputy Chairman for Programs, and in your letter state the basis for your belief that the declination was unwarranted. An appeal can be considered only if the applicant can demonstrate that there was procedural impropriety or error during the application review as evidenced by one or more of the following reasons (see Federal Register/Vol. 48, No. 61/Tuesday, March 29, 1983/ Notices; page 13118 - copy enclosed):

1) the application was declined based on review criteria other than those appearing in the relevant guidelines;

2) the application was declined based on the influence of panel member(s) with an undisclosed conflict of interest;

3) the application was declined based on information provided to the panel by staff or panelists that was materially inaccurate or incomplete at the time of review despite the fact that the applicant had provided the Endowment staff with accurate and complete information as part of the regular application process.

Names of this year's panelists are contained in the May 21 letter to your Board President, Victory M. Cassidy, informing him of the Endowment's action on application A-85-008607. I have attached a copy for your convenience. As to your request for information on successful applicants, a listing of FY 1985 grantees will be available in September once all applicants have been officially notified by the Chairman. Forums grantees and advisory panelists for last year (FY 1984) are listed in the Arts Endowment's Annual Report 1984.

I hope this information has been useful to you. If I can be of further assistance, do not hesitate to call me.

Sincerely,

Richard Andrews

Richard Andrews
Director
Visual Arts Program

Enclosures

NATIONAL
ENDOWMENT
FOR
THE ARTS

WASHINGTON
D.C. 20506

A Federal agency advised by the
National Council on the Arts

June 24, 1983

Derek Guthrie
Publisher
New Art Examiner
2718 Ontario Road, N.W.
Washington, D.C. 20009

Dear Mr. Guthrie:

As you requested via telephone last week, I am conveying to you comments on your publication made by panelists during the application review panel March 3, 1983. After approval by the National Council and the Chairman, most applicants call with questions concerning panel recommendations. The Visual Arts staff is happy to be of assistance, either by telephone, or, in your case, via letter.

Panelists reviewing applications from publications in our Visual Artists Forums category this year had mixed reactions to the New Art Examiner. On the one hand, they applauded your publication for championing the cause of regional artists, for reviewing artists outside New York City, and for supporting the careers of young writers and critics. On the other hand, however, panelists were disturbed by the editorial practices of the NAE, citing instances of inaccurate reporting which brought into question the seriousness of the publication in dealing with the nature of art and criticism.

Reduced funding is often employed by panelists to send a strong message to an ongoing grantee of our Program as evidence of their concern. Our panelists this year, as in the past, had much discussion about the Examiner and encountered considerable difficulty in arriving at a satisfactory recommendation.

Realizing the value of regional art publications and the service they provide for artists and critics outside New York, panelists questioned the usefulness of such a service if the publication presents inaccurate information to its readers.

The crux of the Endowment's operation is its peer panel review system. Panelists employed by the Visual Arts Program are chosen very carefully to represent different aspects of our field. They are all professionals and take their responsibility for reviewing their peers' applications very seriously.

I hope I have relayed this particular panel's concerns to you satisfactorily. Please call if you should wish to discuss this further.

Sincerely,

Michael Faubion

Michael Faubion
Program Coordinator
Visual Arts Program

Mr. **Yates**. The reason I raise that is I wondered how the New Art Examiner differs from some of the other grants that you were able to make, for example, to the Real Life Magazine, which you gave a grant of $50,000, and it says, "to support publication of Real Life Magazine, which presents texts and images related to contemporary occurrence of the visual arts."

As I understand it, the reason the Art Examiner was turned down was because it was felt it was not a magazine of criticism, primarily. As I read that caption, it does not seem to me that that is a magazine of——

Mr. **Andrews**. What you are referring to is our forums category, and in the forums category we get, among other things, art seminars, conferences, we can fund nonprofit publications. There are potentially two kinds of publications in that category that we fund. One is critical or theoretical art journals dealing with the notion of discourse.

The other kind, however, which is the type that the latter publication fits in, is a publication which presents original work for the printed page, in other words, for example, a magazine might do a monograph on a photographer, or a publication such as that might commission visual artists to do original work for the printed page. It is a distinctly different class of publication than is a critical or theoretical journal.

Mr. **Yates**. Their application was turned down, I take it from the correspondence, by your panel.

Mr. **Andrews**. Oh, of course.

Mr. **Yates**. Is there an appeal process, supposing the feeling that the panel did not act properly, what may an applicant do?

Mr. **Andrews**. Well, Hugh Southern can answer that, or Frank Hodsoll.

Mr. **Southern**. There is an appeals process, and there is a published regulation from the agency, describing the appeals process, and the grounds on which an appeal can be made. And that any appeal generated through that process is directed to me.

I then investigate the panel consensus, to review the elements of the process that is being questioned, and respond to the individual or organization making that appeal.

Mr. **Yates**. Was that done in the case of the New Art Examiner?

Mr. **Southern**. Yes, sir, it was.

Mr. **Hodsoll**. There was an appeals process.

Mr. **Yates**. There was an appeals process?

Mr. **Southern**. Yes.

Mr. **Hodsoll**. Yes.

Mr. **Yates**. And you sustained the panel?

Mr. **Southern**. I sustained the panel.

Mr. **Yates**. And once the appeals process is over, that is it?

Mr. **Southern**. I believe so, yes.

Mr. **Hodsoll**. Yes.

Mr. **Yates**. Well, now what happens? May the applicant come back the next year?

Mr. **Andrews**. Absolutely.

Mr. **Yates**. Providing he comes within the guidelines, he has a chance. And your feeling in that case was he did not fall within the guidelines?

Mr. **Andrews**. No, in this particular—if I might answer here, in this particular instance, the particular applicant you are talking about had been funded for about nine years, consistently, and in the instance of last year's panel, the panelists felt, in their rigorous review—each panel is independent of the one that went before—and in their particular opinion as a panel, that on the grounds of quality, the work presented by that applicant was not as meritorious as the others funded.

In fact, all applicants funded and nonfunded, are encouraged to reapply, and this particular applicant has reapplied.

Mr. **Yates**. All right.

Anything else you want to tell us about visual arts?

Mr. **Andrews**. Heavens, yes.

Visual arts field, I think, I am the last of the alphabet, so I suppose——

Mr. **Yates**. We still have Artists in Education.

Mr. **Andrews**. Oops, sorry about that.

Mr. **Yates**. It has been a long day.

Mr. **Andrews**. It looks like it is going to get longer.

Mr. **Yates**. Yes, it looks like it is going to get longer.

STATE OF VISUAL ARTS FIELD

Mr. **Andrews**. I would like to say that the Visual Arts field is, at this moment, very lively, a lot of very important things happening, and that a couple of the things that we are doing, regional fellowships were mentioned earlier, even with some reductions in our budget there are areas that we will expand in, and there are areas that are important, to find artists who work in different regions of this country, outside the major urban centers, is an important issue.

And the other areas of great interest to me, in particular, because of my own background, is the whole arena of public art, and the collaboration initiative that Adele Chatfield-Taylor mentioned, between Design Arts and Visual Arts, which I think could have striking results in how public facilities, public places are designed in this country.

Mr. **Yates**. Tell me, you are still not engaged in blind judging of your applicants?

BLIND JUDGING

Mr. **Andrews**. No, we do not engage in blind judging. My own personal feeling would be, and I am an artist, my own personal feeling is that there is probably more shenanigans that can take place in blind judging than there can be otherwise. A simple matter of people signing their paintings makes it very difficult to cover up portions of a slide for viewing, and I think that there is more possibility of who knows who, and a little backroom manouvering might happen with the pretense of blind judging.

I have now sat through a whole year's worth of fellowship panels, and there is nothing that would shake my belief in the quality of the panel process we are using now.

Mr. **Yates**. Well, the Womens Art Caucus came to see me some years ago, when Mr. Melcher held your job, and told me they felt women were being discriminated against because they were women, and they wanted blind judging, because they felt that they had a better chance for awards than they would have, that there is a discrimination against women artists.

You do not feel that way, or do you?

Mr. Andrews. I absolutely do not feel that in our panel process.

Mr. Yates. It would be interesting to see the breakdown in awards. How many women received awards, and how many men?

Mr. Andrews. That I do not know, but that I will get it for you.

Mr. Yates. That would be nice. I would like to know about it, just to see how women came out. Are they as talented as men?

Mr. Andrews. Absolutely.

Mr. Yates. Oh, they are, okay.

Mr. Hodsoll. We better have that in relation to the applications, too, to make sure we have a balance.

Mr. Yates. All right.

Thank you very much.

[The information follows:]

Summary of Visual Arts Fellowships, Fellowship Applications and Panelists by Gender, 1983-85.

	Female		Male	
	Number	Percent	Number	Percent
Fiscal year 1983:				
Applicants	1,716	44	2,185	57
Grants	77	35	141	65
Panelists	8	36	14	64
Fiscal year 1984:				
Applicants	1,977	39	3,045	61
Grants	102	38	168	62
Panelists	8	44	10	56
Fiscal year 1985:				
Applicants	2,679	48	2,925	52
Grants	97	37	162	63
Panelists	8	44	10	56

Percent of women visual artists in work force in 1985 was 42%, according to Census statistics.

ARTISTS IN EDUCATION

Mr. Yates. Artists in Education, that is a subject for a whole day, is it not?

Mr. Hodsoll. I think we could spend a long time on it, I agree.

Mr. Yates. I happen to like the Artist in Education program, and you are falling away from it, are you not? You are going to give the job to the states, as I understand it, you are going to give the money to the states, is my analysis correct?

Mr. Prince. The Artist in Residence program has historically been funded through the State Arts Agencies. We have given grants to the State Arts Agencies on a competitive basis, to operate the residency program. We are going to continue giving grants to State Arts Agencies to operate programs.

Mr. Yates. The same amount?

Mr. Prince. No, because of the reduced budget, of course.

Mr. **Yates**. How much less will you make available?

The budget submission shows $500,000 less. How many Artists in Residence are there?

Mr. **Prince**. That depends on the length of the residency, the salary in that particular state is very hard to equate it precisely.

PROPOSED CHANGES IN ARTISTS IN EDUCATION

Mr. **Yates**. Well, I think that I have read Mr. Hodsoll's speech, and I have read the statement, I have read the justification, and I have read just about everything, I guess. I cannot escape the conclusion that, from the nature of a block grant, you are moving this kind of education over to the states. I think the goal is eminently desirable in developing appreciation of the Arts in young people who are being educated.

The question is whether you should do it, or Mr. Bennett ought to do it, in great measure, and I assume Mr. Bennett does not want to do it. He thinks you ought to do it. At least he does not want to spend the money for it.

Mr. **Prince**. May I——

Mr. **Yates**. Did you want to say something?

Mr. **Prince**. May I comment on the first part of your question?

Mr. **Yates**. Surely.

Mr. **Hodsoll**. I will talk about Mr. Bennett later.

Mr. **Prince**. The guidelines that are being developed, will be developed over the next few months, we will continue the process of competitive grants. It will not be block grants to states, and we will make sure that there are criteria by which a panel can make judgments about the kind of thing that a State is doing, and the kind of significant progress that they are making over time. That was my only clarification on that issue.

I yield to Frank.

Mr. **Yates**. All right, Frank, you are on.

Mr. **Hodsoll**. Well, this has been, as I know, an ongoing discussion here in this committee. I mean, even before the latest——

Mr. **Yates**. The committee does appreciate, though, the necessity for developing appreciation in young people. I go back to the time of my own school days, and I loved my art classes, and I loved my music classes, and the impression I have is that more and more boards of education are eliminating them for lack of funds.

The question is whether you ought to put the money in, or Mr. Bennett ought to put the money in. And I suppose I should say that it is good that somebody is putting it in, and how much money can you put in to this program, and how much money can you take away from the other activities in the Arts programs?

The amount that you put in, especially in an era of reduced budget, takes it away from other programs, and you have to evaluate the importance of it.

I think I will ask you to put your statement in the record, rather than talking now, because you and I have had a long day, and you are getting over a cold, and so am I.

You had spoken to it, your speech may go into the record, the speech of—where was it, Portland?

Mr. **Hodsoll**. Seattle.

Mr. Yates. Seattle, may go into the record. You had the other statements on this, and whatever else you want to supply to support your viewpoint, may go into the record. I think it is an arguable program.

I wish Mr. Bennett could find some way of doing it, and you could transfer the responsibility over to Mr. Bennett for doing it. And he wants the states to do it, of course, and I do not know that the states will do it. They just do not have the money to do it, particularly now that there are rescissions, and deferrals on all the education programs, and Federal funds are being cut back in the educational programs.

So perhaps this, which is in the nature of, I was going to say an end run, but still eminently to be desired as part of an Arts program is the way to do it. That is something that we have to decide, I guess. So we will receive that material.

[The information follows:]

REMARKS BY FRANK HODSOLL
CHAIRMAN
NATIONAL ENDOWMENT FOR THE ARTS

NATIONAL CONFERENCE OF THE
ARTISTS IN EDUCATION COORDINATORS

SEATTLE, WASHINGTON
NOVEMBER 6, 1985

Thank you, Joe, for that kind introduction. It's been two years, eventful years, I hope, since I last addressed you. I'm delighted to be here. I am also grateful to Joe Prince and to your Planning Committee for letting me speak to you today. A lot has happened since we last met in New Orleans, and I hope you'll agree that the future is full of exciting challenges.

Let me begin by saying to all AIE Coordinators that the rumors of your demise have been greatly exaggerated! The work you have been doing, on behalf of the arts in our nation's schools, is vital to the future of the arts in America. We're all in this together. As the AIE Program continues -- with a different name, and with a broadened direction -- you will continue to be very important to the success of the Endowment's participation in the artistic education of young Americans.

The Endowment is proud of what the Artists in Education Program has accomplished under the direction of Joe Prince. During the 1983-84 school year, the Endowment's AIE partnership with all 56 state and special jurisdiction arts agencies supported projects at 10,500 sites, involving some 7,400 artists, 76,000 teachers and administrators, and 3,650,000 students. It's a great tribute to AIE, and to you, the AIE Coordinators, that in fiscal year 1985 the projected state and local match for Artist Residency Grant funds is over 4.5-to-1. At the same time, the AIE Program received requests for $2.9 million for Special Projects -- many of which, I know, have been stimulated by your fine work.

Two years ago in New Orleans, I said I was persuaded that the time had come to broaden the context of the Endowment's consideration of arts education. I said that we needed to take a look at how a comprehensive approach to arts education, from Kindergarten through the 12th grade, might be encouraged. My premise was, and remains, that artist residencies can supplement, but never substitute for, regular, continuing, high-quality arts education guided and directed by professionally qualified teachers. Effective arts education, I suggested, can no more be based upon occasional residencies than can teaching of the "Three R's". The task before us at that time, I said, was to work together to find appropriate ways to support comprehensive arts education for all students.

In New Orleans, I outlined available data on the state of arts education as well as some basic arguments for educating elementary and secondary school students in the arts. I suggested a framework for considering the most appropriate role for the Endowment. I also described a series of initial steps, including, most importantly, an exploration of possible approaches to bringing more and better arts education to local school districts. In concluding my New Orleans remarks, I said that any Endowment involvement in arts education must be justified in terms of our central mission -- support for artistic excellence, and for access to, and appreciation of, the best in the arts. I also said it must be consistent with the national consensus in favor of excellence in basic education.

Since your New Orleans meeting, the Endowment has devoted substantial time and attention to arts education. The issue has been on the agenda of several meetings of the National Council on the Arts. It has become an important element in our annual five-year planning process. I have repeatedly raised the issue in my appearances before groups representing every sector of the national arts community and many segments of the education community. As I promised in New Orleans, I've used my office as a "bully pulpit" for arts education. I've talked and listened to hundreds of committed people -- teachers, school administrators, chief state school officers, artists, leaders of arts institutions, parents, and public officials at all level. We have become familiar with both the need for, and the obstacles to, strong arts education. Simultaneously, NASAA has made arts education a priority issue, and has urged the Endowment to assist in supporting high-quality arts education programs.

During the summer and fall of 1984, a series of five regional conferences on arts education -- co-sponsored by the Endowment and NASAA, and participated in by several AIE Coordinators -- helped both to illuminate issues and provide information, and to identify some effective people committed to it. Also helpful was a collaboration with the U.S. Department of Education, the Rockefeller Foundation, and the Council of Chief State School Officers, which resulted in a survey of arts education in each state; a catalogue on arts education options and opportunities, for the use of state educational authorities; and a special meeting (in Boston last May) of chief state school officers on arts education. The CCSSO survey contains much useful information, including these findings:

* Only 40 percent of the states presently have graduation requirements in the arts; but the great majority of these requirements have been adopted in the last six years.
* More states have increased or maintained their funding levels for arts education over the past five years or so than have reduced them.
* The major obstacle to improved arts education is the lack of certification requirements and teacher preparation (both pre-service and in-service). Other obstacles are the lack of appreciation of art as an area worthy of serious study, and the lack of room in students' schedules for art, due to the increased emphasis on so-called "basics" and increased graduation requirements in them.

Following up on this collaboration, the Endowment and the Rockefeller Foundation have cooperated in providing ten states with grants -- through their chief state school officers -- to undertake promising arts education projects.

Another important and potentially fruitful undertaking is the Endowment's partnership with the Getty Trust to attempt the development of a television series in the arts for young people.

This project, if successful, will result in a series for 8-to-10-year-olds to view at home, involving the creative, historic, aesthetic and critical elements in all the major art forms. The work is under way.

As our thinking on arts education has crystallized, it has seemed to us that we might posit several basic conclusions.

First, that arts education, to be meaningful, must be made an integral part of basic education. It must be serious, it must be systematic, and it must be sequential.

As Elliot Eisner, Professor of Education in Art at Stanford University, has said:

> "Great art has something unique to provide. The ability to experience such art enlightens in a special way and stretches the mind in the process. The arts present to the competent eye those forms of feeling and insight that only artistic form can reveal. There is no verbal equivalent to Bach's "Mass in B-Minor". Words cannot convey what the music has to say. But the messages in these works are not there simply for the taking. They must, so to speak, be recovered. They must be read. The works themselves must be unwrapped to be experienced. School programs that do not provide adequate time and education to the arts deny students access to a stunning part of their culture. Such students simply are unable to read our most profound forms of human achievement."

Arts education must, therefore, be a part of basic education -- to allow "recovery" of the most profound forms of human achievement.

Second, we think that it makes most sense to define "arts education" in terms of the goals to be achieved -- what is it that we want students to learn, at what ages; what do we want students to leave high school with? I propose that for the vast majority of students, the best we can hope for is a general understanding of, and elementary literacy in, the major art forms by the time of high school graduation. By this I mean not only general knowledge and basic skills, but also some measure of critical judgment or taste. For a small minority, the talented few, one might hope for more -- for an orderly progress toward the acquisition of increasingly specialized skills in one or more artistic disciplines. From this group will come those who pursue one or two art forms as gifted amateurs or highly skilled professionals. Probably less than one percent will pursue actual artistic careers -- and even fewer will achieve artistic excellence. But if agreement can be reached on a definition of the goals of arts education -- a definition that is both pragmatic and, when measured against the present state of affairs, ambitious -- the road to excellence might be opened for all those prepared to follow it.

This leads me to the question of standardized testing -- a necessary aspect of all education. If goals are firmly set, tests to measure achievement in relation to those goals can be similarly developed. While it is true that testing of knowledge about the arts is easier than testing of capacity to do the arts, there are techniques for the latter, albeit requiring more subjective judgment. These testing techniques need to be developed. They also need to be accompanied by longitudinal surveys on a sampling basis, so that we can see how well different programs result in the acquisition of specific skills and knowledge.

Third -- and this is the most difficult part of developing an arts education program -- it must be determined exactly how to allocate and use existing and future resources. This must be done school by school. We're talking about teachers, textbooks, school facilities, budgets, equipment, local arts institutions, resident artists, and (of great importance) time. The achievement of desired competencies has to be related to specific students and specific teachers in specific schools. For example, studio art cannot be required if there are no qualified teachers to teach it. Not all schools will have access to fine orchestras or museums, but all could have access to recordings and slides or videotapes. And, it may be possible to achieve some of our goals through revision and enrichment of English, math, science and history courses and optimal use of the school day -- with different disciplines reinforcing each other in achieving a variety of competencies.

Within any scheme of goals and curricular techniques, one needs to determine exactly what can be accomplished by classroom teachers in relation to specialist teachers, and how teaching can be supplemented by resident artists and professionals from arts institutions; what can be imparted through other courses; what must be dealt with within school, and what should be addressed by collaborating arts institutions or other community resources; and what can be reinforced by supportive family life.

* * * * * * * * * * *

With these considerations in mind, we at the Endowment have been working over the past six months to see how our current Artists in Education Program might, on the one hand, be strengthened, building on past successes, to assist making art in education a basic and sequential process; and, on the other hand, be made more flexible so that states -- based on planning -- can choose the mechanisms which will, in their state, most effectively advance art as part of a basic education. We have in this respect established an Ad Hoc Advisory Group representing the entire spectrum of interested parties -- teachers, school administrators, arts education professionals, and state arts agency, artist, and arts institution representatives. At last August's meeting of the National Council on the Arts, we presented a draft concept paper on a revised Program, which was sent to you, and which stimulated many comments. With the advice of the Council, and with the help of the Ad Hoc Advisory Group, we have proceeded to fashion the proposed guidelines you have before you for the revised Program.

Let me say that I greatly appreciate the various inputs from many of you here -- even where they have been critical. These inputs have been constructive and have influenced our thinking. We look forward to further discussion here. The new guidelines, with further refinement, will be taken to the February Meeting of the National Council for the Council's advice prior to their final adoption.

Without attempting to discuss in detail all of the Program changes we're suggesting, let me outline a few key points.

First, the name of the Program would be changed from "Artists in Education" to "Art in Education". This reflects a broadening from the current exclusive focus on artist residencies (apart from Special Projects) to long term planning and identification of a variety of activities which might move us forward toward students in elementary and secondary schools acquiring a sense of, and literacy in, a variety of artistic expression beyond the popular culture of the moment. We suggest the use of "Art", rather than "Arts", to underline the generic concept of art as a discrete body of knowledge, encompassing all of "the arts".

Second, the essential thrust of the revised Program will be to focus on planning and coalition building leading towards art in education as a basic. The critical ingredient here is process, not funding. We need to engage all those who can help, and convince at least some schools that making art a basic part of education is in their interest. You will note that we have been explicit about the kinds of questions that might be asked during the planning process. But the answers, and the programmatic response to the needs, will no doubt vary by state. We do not assume any answers. There is no hidden agenda.

Third, we would maintain the current Program division between a program carried out by State Arts Agencies and a program of Federally recognized and supported special projects. The Special Projects category will be similar in mechanism to the current Special Projects category.

Fourth, the State Art in Education Program (which would remain the largest part of the overall Program) would posit a Federal objective of moving schools, over the long term, towards providing an opportunity for all students to graduate from high school with a basic sense of, and literacy in, art, but would leave to each State the design of the precise means for moving in that direction.

After a transition period, we would ask State Arts Agencies to begin systematic planning towards this end; this planning would include education authorities at state and local level, teachers, artists and arts institutions and others who can help. We need the arts educators working with us; we have the same goal. We need the members of state arts councils and the community leaders who serve on the boards of arts institutions. We need to put aside our differences and posit long term objectives to which we can all work. Otherwise, whatever chance we have of making even marginal progress will disappear.

Fifth, the Federal goals would not specify whether progress must be achieved on a state-wide basis; they would leave open the possibility of achieving progress in some schools as opposed to all schools.

Sixth, after the transition period, a panel would judge state applications on the adequacy of their plans, not on any specific program mechanism. The first question would be: where is the State (as a whole, not just the state arts agency) now in terms of art in education as a basic? The second question would be: has the State systematically thought through, in relation to and with the other principal players, where progress might be made? The third question would be: do the proposed State efforts represent "best efforts" in light of the answers to the first two questions? It should be noted that we anticipate that the answers to all three of these questions would involve primarily resources which do not belong to the state arts agency; therefore, judgments must be made on the basis of a state arts agency's identification of realistic possibilities with respect to which their very small funding might make some difference.

These efforts could most certainly include expenditures for artist residencies. But we will want to see whether the state arts agency has thought through how these residencies help towards making art a basic, and we will want to see consultation on this matter with others involved with art in education -- the schools, teachers, et cetera.

We are aware that not all state arts agencies would be in a position to move as quickly as others. We recognize that we are talking about a very long-term process -- measured probably in decades not in years. But let's start thinking in terms of decades into which shorter term program expenditures might creatively fit.

During fiscal year 1987, we intend to continue Artists Residency Grants based on the Fiscal Year 1986 review criteria, but we also would invite each state to submit a "plan to plan" for the future. This requirement is for the benefit of the state arts agencies. To assist in this transition process, the Endowment is prepared to provide technical assistance where needed. I should note that there are many arts educators who are prepared to help with this. The key requirement would be to develop, during fiscal year 1988, an information base and a multi-year plan designed to assist movement toward the new

Program objectives. Upon approval of the plan by the State Art in Education panel, multi-year funding for projects could be awarded.

There's no question but that the new guidelines will entail change. Instead of focusing exclusively on artist residencies, there will be a need to address the whole spectrum of art in education priorities. I know that -- as is always the case when change occurs -- there will be problems. Just remember that we're interested in effecting change many years down the road; no one expects dramatic results to be achieved overnight.

I'm also aware that certain objections to the proposed revised Program have been raised; let me briefly address three of them.

> First, it's been said that the new Program is anti-residencies, and that its implementation will lead to the termination of residencies. That just isn't so. We're not against residencies -- we've been supporting them for years. We assume that most (or perhaps all) states will want to continue their support of residencies as a valued element of arts education activities. What we're for, however, is a more comprehensive approach to art in education. I don't know of anyone who disagrees with our goals.
>
> Second, some charge that the new Program is anti-artist. Again, that's simply not true. Artists can bring much to

the educational process, through residencies or otherwise. But the bottom line is that the Art in Education Program, to be justified, must be an educational program, intended to benefit students; it cannot be justified as an employment program for artists. Directly and indirectly, the Endowment provides substantial assistance to thousands of artists, in virtually every discipline, each year. There can be no argument for treating the Art in Education Program as a supplement to our other Programs to assist artists. Where artists benefit from participation in residency projects, that's fine. But the primary beneficiaries of the Art in Education Program must be students.

Third, there seems to be a feeling on the part of some that state arts agencies are incapable of effecting change in the way schools treat the arts, in terms of curricula, budgets, and time. Well, no doubt it will be difficult to achieve dramatic progress in the short-term. But as I say, we're talking about the long-term, and state arts agencies have a marvelous record of meeting and overcoming difficult challenges. Further, progress will require not only the cooperation and partnerhip of state and local education authorities, it will require their being convinced that art is a part of their basic mission. Based on our experience over the past two years, I believe that there may be at least some chief state school officers, state legislators, superintendents, school board presidents, and/or principals who are ready to make some movement in our direction.

It may be useful at this point to note that constructive partnerships between the state arts agency and the state educational authority are already underway in many of your states. Let me mention just a few.

-- In Utah, curricular arts education is now required. The State Office of Education is developing six model school sites to lay the basis for comprehensive arts program design and implementation strategies. The Utah Arts Council's AIE Coordinator is actively involved in this process. In Oklahoma, the State Arts Council and the State Department of Education have cooperated for many years, resulting in arts coordinators in 30 school districts who plan and implement both residencies and curricular arts programs.

-- The Indiana Arts Council has been collaborating with the State Department of Education for 11 years; the two agencies co-sponsor both the Indiana Alliance for Arts Education and a state symposium, "Building Bridges Between Schools & Communities". In addition, the Council's AIE Coordinator chairs the Department's effort to establish state proficiency guidelines for arts education.

-- The Maine State Commission on the Arts & Humanities is cooperating with the State Department of Education in implementing the state's Education Reform Act, which defines music, art and drama as part of the basic course of study for elementary school, and requires one year of arts education for high school graduation. In this process, the Maine AIE Coordinator serves as liaison with the department.

-- In New York, the New York State Council on the Arts has just entered into a $2 million partnership venture with the State Department of Education designed to develop and implement strong arts education programs in local school districts.

What we're asking for is not a revolution, but evolution -- and to achieve it, we need serious, long-term planning and commitment. Not all schools -- or maybe even most schools -- can be expected to join an arts education movement overnight. The point is that some will wish to do so, and we need a serious assessment of needs and opportunities to tell us where they are, and how best we might help them move forward. I have every confidence that if we can have a positive impact on some schools, over the long term many other schools will recognize the advantages of moving in the same direction.

So I think that these objections -- which are sincere and well-intentioned -- can be met. At the same time, we should also take into account criticism that for years has been raised against the AIE Program by professional arts educators. The commitment of these teachers to the artistic literacy of young Americans cannot be questioned. Many arts educators have criticized the AIE Program for displacing serious instruction in the arts from school curricula, or for discouraging the inception of such instruction by professional teachers. They have also questioned the long-term benefits of artist residencies, in terms of what kids actually leave school with. Whatever the merits of these charges, there can be no question that we in the arts community must work with the arts educators towards our mutual goals. The young people of America depend on it and deserve no less.

We need to look beyond careers and habits to make one day art a part of the national consciousness. We need to bring the cultural heritage and the majority of contemporary expression out of the shadow of the popular culture -- out of the Twilight Zone -- and make it basic. We are all agreed on movement toward that perhaps Utopian goal. But America's greatest strength has always lain in its positing of ideals -- cities on a hill -- and then making imperfect progress towards them. Let's not let our necessary special pleadings stand in the way. Let's harness those pleadings together towards our vision. Let's fashion an Endowment Program that helps us get there.

Our challenge is nothing less than to work together to overcome the situation that, in 1982, resulted in 61 percent of all American adults failing to attend a single live performance of classical music, jazz, theater, musical theater, opera or ballet, or to visit a single art museum or gallery. In the 20th anniversary year of the National Endowment for the Arts, and in the 16th year of the AIE Program, it is time for us to plan bold steps to assure that in the 21st century great art will no longer be the province of a minority of Americans.

We must encourage communities all across our nation truly to care about art; to decide what their children should know about art; and to design strong programs of art in education to achieve their goals. In order to accomplish this, we simply must provide the argument and the incentive for schools to establish serious and sequential arts curricula as a vital part of basic education; within this context, the role of resident artists will continue -- working together wih teachers and parents and television and school boards and principals and textbook manufacturers and state boards of education and all the others -- for the future of America.

Of course there will be problems. Of course the complexities of educational reform, the vagaries of local decision-making, and the constraints of school budgets in a time of conflicting priorities will make the going rough in many states and in many communities. But let's try. Let's try to make it happen.

My predecessors fashioned an Endowment, beginning 20 years ago, that helped spread good art across this country -- that helped fashion most of the agencies that you work for with such dedication. Let us in the next 20 years make progress in making great art a basic part of education.

Who would have thought 20 years ago that there would be more theater created and produced in hundreds of communities across this land than at the height of the Broadway Road system. It has happened, because of the dreams of regional theater. Let us dream of young people knowing about great art -- having a sense of what Elliot Eisner calls "the highest forms of human civilization." And then let us -- all of us -- roll up our sleeves to make it happen.

It can if we want it to; it won't if we don't try. Surely, this is what the drafters of our enabling legislation meant when they wrote of "national progress in the arts and humanities" and of "high civilization".

Let us make national, regional, state and local coalitions. Let us recommit ourselves, here today, to help America's young "unwrap" art.

Thank you.

Arts Education

We appreciate the opportunity to elaborate on our goals and ideas about arts education. We are gratified by your observation, Chairman Yates, that the goal of developing appreciation of the arts in young people is, as you say, "eminently desirable". We recognize the need for a cautious approach in this area; arts education is so large an issue it could consume our entire budget. But this is not our plan nor our intent. Rather, we hope to help set in motion efforts at state and local level which will help make the arts a part of basic education. We envision catalyzing these processes through expanding the role of our AIE Program, which for years has made grants to all of the state arts agencies for the purpose of supporting artists' residencies. The states themselves have exercised some leadership in arts education, and together, the Endowment and state arts agencies hope to make more progress.

We began this exploration based on the finding in our Public Participation in the Arts study which shows that 61% of American adults did not attend, even once, in 1982 any live performance of jazz or classical music, theater, opera-musical theater, or ballet, nor did they visit an art gallery or museum.

While the fact that 39% of American adults did so participate shows progress, we felt that the Congressional declaration of purpose for the Endowment -- that "high civilization must...give full value and support to the other great branches of scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future..." -- requires us to explore strategies to make the arts more a part of the lives of all Americans.

We selected two basic strategies: (i) television programming in the arts for young people, and (ii) encouraging the arts as a basic part of education K-12. In the area of television, we have entered into a partnership with the J. Paul Getty Trust to test pilot programming with a view to producing a series (probably on public television). The pilot testing will be completed this fall; if the testing proves positive, a series could be aired in the 1987-88 season.

In the schools and in the context of general education reform, the Arts Endowment has been giving serious attention to the question of how to encourage the arts as a basic in education. During 1984, we cosponsored with the National Assembly of State Arts Agencies (NASAA) a series of regional meetings in Louisville, Kentucky; Fargo, North Dakota; Los Angeles, California; Salt Lake City, Utah; and Boston, Massachusetts.

In 1985, we co-funded, with the Rockefeller Foundation and the Department of Education, the Council of Chief State School Officers (CCSSO) to sponsor a meeting of chief state school officers and to undertake a survey of state education policies related to the arts. The purpose of the survey was to determine what the states were doing in this area with regard to general educational goals and curriculum, testing, textbooks, graduation requirements and funding. We learned that out of 22 states currently having graduation requirements in the arts, all but two states have adopted standards in the area of arts education in the last five years; that 43 states distribute guidelines for arts instruction to local school districts; and that 44 states are currently revising "policies in ways that should positively affect arts education."

With information gleaned from the regional meetings, NASAA and the CCSSO, it seemed appropriate to consider some changes in our Artists in Education Program. After consultation with NASAA leadership and other interested constituencies including NALAA (National Assembly of Local Arts Agencies) and associations of arts educators, it seemed reasonable to suggest more flexibility in the artists residency category of our AIE Program. In March and September 1985, we convened an Ad Hoc Advisory Group on Arts Education to discuss new guidelines for that program; the participants included representation from both the arts and education communities. The Advisory Group supported a broadening of the program and a change in title to "Arts in Education Program". Members of the National Council on the Arts, in February 1986, similarly supported this direction.

Our budget justification observes that FY 87 marks the beginning of a transition from a program oriented primarily to artist residencies to a program that might include deeper and broader arts education initiatives. It should be noted at the outset that state arts agencies will continue to be eligible for support for programs which send artists into schools and other settings in their states.

We will at the same time encourage some state arts agencies to apply for planning grants in FY 87, perhaps through the Special Projects category, to help establish collaborations between state arts agencies and state education agencies to design strategies whereby the broader goal of making teaching of the arts both basic and sequential in at least some schools might be accomplished.

The purpose of planning grants would be to encourage a few states to set an example and identify a few specific schools (hopefully of varying demographics) where the implementation of sequential curricula could be demonstrated. While success is not guaranteed, models in some states can show the way for other states. With the help of NASAA, we should be able to begin to make some movement in the direction of our mutual goal for arts education in FY 87. This partnership is appropriate since the state arts agencies have been our natural partners in this area; approximately 85% of the past AIE Program funds (as awarded through the Artists Residency Grant category on a competitive basis) has gone to the state arts agencies.

Nonetheless, it should be noted that changes will not occur unless individual schools put money and resources into this initiative. If the arts are to be a basic part of K-12 education, then the schools must view it as in their interest to make it so. This is a matter of state and local decision making. The Endowment's role will be to catalyze discussion and action at the state and local level -- to make the case for arts education, provide information, and encourage use of the artistic resources in the fields we assist. There will be many needs: teacher training, text books, audiovisual materials, interrelation of local arts institutions and community resources, etc.

In summary, it should be noted that in FY 87 all states and territories will apply for artist residency funds and a small number may also apply for planning grants as discussed. All SAAs will have to rethink their general planning process including how arts education fits into the overall state arts agency objectives; and some SAAs will need to plan how to work with relevant state education agencies. The precise mechanism needed to assist planning grants is being worked out with representatives of the SAAs, members of the education community, and other interested parties. It is clear that flexibility, in this period of transition, will be the key to success. Our goal, of graduating students from high school with some degree of artistic literacy, will help develop adults with some sense of the variety of cultural expression and therefore, hopefully, a larger and more informed future audience for the arts that we assist.

Mr. **Yates**. Now, I wanted to ask you about the panelists, too, at some length. The procedures by which panels are selected, how they operate, how they are funded, how you go about selecting them.

The question of conflict of interest was raised by several members of Congress last year. How you answer that, whether leaving the room is enough of an avoidance of conflict of interest, where a panelist's possible connection with an applicant may be involved.

That I would ask you to put into the record, too, to answer, because I think that we are just on the point of terminating this hearing.

[The information follows:]

Arts Endowment Panels

Together with the National Council on the Arts, advisory program panels carry the principal burden of making qualitative judgements on the merits of applications for funding by the Endowment. Panels also play a major role in assessing current and emerging developments in the arts and recommending changes in Endowment policies and programs which will be most responsive to the changing needs of their fields.

This advisory system is central to government funding for the arts. It is designed to assure that Federal assistance does not lead to government dominance or control in the sensitive area of aesthetics, artistic expression, and creativity. The specific structure, composition and working procedures of each panel are under continuing review by the top management of the Endowment. The purpose is to keep the panels open to change as the fields they serve continue to evolve, and to assure that they meet high standards of quality and fairness.

The quality, fairness, and value of the peer-review panel system is a function of seven key elements which are aggressively maintained by the Endowment.

1. A panel structure that includes the particular expertise needed to judge applications in each funding category, while involving a broad and diverse representation of the arts community as Endowment panelists.
2. Composition and rotation of panels which provides quality, diversity, and constant change in membership.
3. Rigorous Conflict of Interest rules and procedures.
4. Availability of information needed by panels in developing their recommendations.
5. Effective preparation and conduct of panel meetings.
6. Effective review and use of panel recommendations.
7. Expeditious appeal in the event of dispute.

1. Panel Structure

Every major Endowment program has an advisory panel, which in most cases is broken down into sections (e.g., there are different sections of the Dance panel to deal with Choreography Fellowships, Professional Dance Companies, Dance Presenters, Dance/Film/Video, and Services to the Field). There are some 85 panel sections ranging in size from 6 to 15 members who bring the specific mix of professional expertise and backgrounds needed to review the applications in a particular category. The sum total membership of all panel sections comes to over 600 each year.

Each section reviews applications in its area of expertise, assesses the progress and problems of the field, and recommends Endowment policies and guidelines. Most Programs also convene an annual Overview Meeting of representatives from the different panel sections, to weigh the experience of the Program and field as a whole, and to make program policy and guideline recommendations to the Council and the Chairperson.

2. Panel Composition, Selection and Rotation

a. Selection criteria for panel membership begin with the quality of each individual's expertise, experience, judgment, stature in the field, and ability to carry out the demanding tasks of a panelist.

b. Each panel section includes a diversity of experience, backgrounds and viewpoints:

- different aspects of the art form or field (e.g., the relevant variety of creative artists such as painters, sculptors, choreographers, architects, designers, composers, playwrights, filmmakers, novelists, poets, artistic directors, folk artists and craftspersons; of performing artists such as actors, dancers, singers, musicians, and folk artists; of curators and other museum professionals, performing arts presenters, musicologists, critics, and educators; of arts administrators, patrons and trustees; of people with experience in large and small arts organizations, traditional and experimental work; etc.)
- different aesthetic and programmatic viewpoints
- experience and knowledge of the field in different parts of the country
- different ethnic and cultural backgrounds
- a reasonable balance of men and women
- in most panel sections, at least one representative of a state, regional, or local arts agency

c. In order to bring a wide and changing spectrum of expertise and viewpoints to the review of applications and program policy issues, panelists are appointed on a rotating basis for one year terms, which may be extended through subsequent appointments for a total of 3, occasionally 4, and rarely 5 years on the same panel section. While the figures differ between programs and from year to year, the annual rotation process generally replaces from 40 to 60 percent of all panelists each year. Only 3 percent of current panelists have been appointed to serve more than three consecutive years on a panel section.

d. In this way, it is possible not only to achieve a balance of diverse backgrounds and expertise in a given year, but also to assure a constant infusion of "new blood," differing viewpoints and fresh ideas into the panel deliberations from year to year. From the applicant's point of view, this means that the people judging applications in a particular funding category (e.g., Orchestras, Theater Companies, Painters, Composers) will be substantially different next year than last year.

e. This constant rotation of panel membership has also produced a large and growing body of professionals in each field of the arts who know how panels work from their own experience as panelists. Some 3,000 individuals have served so far; the number is increasing at the rate of over 200 per year.

f. All of the foregoing serves to assure that Endowment panels do not become small self-perpetuating "clubs", and that the quality and fairness of the process is known to thousands of individuals who have participated in it.

g. The process of selecting panelists each year is a protracted and rigorous one, which demands a great deal of time and thought from the Chairperson, Deputies, and Program Directors, in broad consultation with members of the National Council on the Arts, current and former panelists, as well as organizations and individuals in every field of the arts.

Before considering specific candidates for panel membership, the Chairperson determines, with advice of the Deputy and Program Directors, what types of expertise are required in each panel section for the next year. Considering the length of service already performed by each current panelist, and balancing the need for continuity and change in membership, decisions are made as to which incumbents should be asked to serve again in the next year, and which should be replaced with new members.

With advice from the Deputy and Program Directors, the Chairperson reviews the qualifications of potential panelists, both new and continuing, and selects a group for each panel section which will provide the best possible balance of professional expertise, aesthetic, geographic and cultural diversity, experienced panelists and "new blood".

When a selected individual is unable to accept the appointment, or accepts and later finds it necessary to drop out before the meeting, the selection of a substitute panelist follows essentially the same procedure. Only the individuals who actually participate in the panel meeting are counted as panelists for that year.

3. Conflict of Interest Rules and Procedures

It is vital to the Endowment's success in carrying out its mission that judgments about artistic quality and value be made by peer review of recognized experts who reflect the professional standards of the arts community itself. Successful and unsuccessful applicants alike must have the assurance that they have been judged fairly by experts who are qualified to judge and whose judgements command the respect of their peers.

Strict Conflict of Interest policies are designed, not to eliminate artists and others deeply involved in the work of artists and arts institutions from our panels, but to make their essential expertise available to the Endowment in ways that avoid actual or apparent impropriety. Endowment policy requires that panelists must avoid any action which could be interpreted as a use of their panel membership to further their own interests or those of an organization with which they are affiliated.

The procedural guidelines to implement this policy provide that

- panelists are prohibited from submitting applications on behalf of themselves.
- panelists are also prohibited from submitting applications on behalf of an organization with which they are affiliated; nor may they participate in any way in support of such an application.

- panelists may take part in activities which receive Endowment support, but the application for such activities must clearly indicate the nature of the participation.

- panelists shall not personally receive any remuneration from Endowment funds in connection with such activity, unless the National Council on the Arts and the Endowment are made aware of such remuneration before acting on such application.

- panelists are prohibited from participating in any way, and must in fact leave the room, during discussion and determination of any application:

  a) from an organization with which they are affiliated; or
  b) from an applicant with which they, or any organization with which they are affiliated, has an adversary relationship.

The requirement to leave the room arises in relatively few instances because most of our panelists have no affiliations with any of the applications being reviewed by their panel section. Based on a sample done by critics of the Endowment, only 15.8 percent of FY 1984 panelists sat on panels recommending FY 1984 grants to organizations with which they were affiliated.

Under Endowment rules, applicants for an individual fellowship are not only barred from serving on the panel which reviews the application - they are also prohibited from serving on any Endowment panel while their application is pending and, if they receive a grant, they may not serve on any panel until the grant period is completed and their final report has been filed. This broad prohibition is a self-imposed Endowment rule which exceeds the conflict of interest requirements of our legislation. It represents an extreme effort to avoid any possible misunderstanding which might create the appearance of a conflict. At the request of Council members and others, this rule is currently being reviewed to determine whether the prohibition is unnecessarily broad and damaging to Endowment ability to acquire the professional expertise it needs at a particular time. Based on this review, we will decide whether the prohibition should be narrowed to conform more closely to the legislative requirements.

In addition to our strict prohibition against panel service by current fellowship applicants, an analysis of fellowship grantees in the Design Arts, Literature and Visual Arts Programs from 1981 - 1984, shows that 94 percent have never served on any Endowment panel at any time before, during or after the time of their grant.

4. Information Provided to Panels

a. Information about the Panel and Endowment

- Panel roles and responsibilities in relation to program staff, the National Council on the Arts, the Endowment Chairman, and the applicants.
- Endowment policies and guidelines governing the funding category under review, including eligibility requirements and criteria for judging applications.
- Procedures to follow in review of applications.
- Conflict of Interest rules and procedures.

b. Information about applicants:

- Application materials submitted by the applicants. These describe the nature of the applicant's work, the specific project activity for which funding is requested, the total cost and budget for the project, sources and amounts of other funding for the project, as well as resumes of key personnel involved, plus relevant information regarding management and board efforts as well as audience and community involvement.
- As prescribed for certain funding categories, samples of the applicant's work, such as audio tapes, video tapes, films, slides, scores or manuscripts.
- In performing arts categories, reports from on-site visits to assess the quality of work. On-site visits are conducted by members of the panel or by outside expert consultants, and every effort is made to have reports from more than one observer of each applicant's work. On-site visits have increased 1,000% since 1978.
- Each panelist's own personal knowledge and views about the applicant's work.

5. Preparation and Conduct of Panel Meetings

A panel meets following the deadline for applications in a particular funding category.

a. Prior to the meeting:

- Several weeks in advance, panelists receive copies of all applications to be considered, along with instructions for initial review of this material, plus the agenda and procedures to be followed at the meeting, and the conflict of interest rules.

- In some program categories with a large volume of applications and complicated supplementary information materials, each panelist may be assigned to review all of the supplementary material for some of the applicants in great depth, and be prepared to summarize the contents orally at the meeting and take the lead in discussion of those applications.

b. During the meeting:

- Applications are discussed by the panel in closed session, and the materials and discussion are treated as confidential. Panel discussions concerning the needs of the field, Endowment policy issues and future program guidelines are always held in open session.

- Meetings are generally chaired by a member of the panel.

- The Program Director and relevant staff provide further briefing for the panel about program policies and guidelines, budget allocations, detailed application review procedures, and conflict of interest rules and procedures.

- The Program Director and staff remain with the panel throughout the meeting, to answer questions and provide additional information as needed, to record the panel's discussion and recommendations, and to assure that all policies and procedures governing panel review of applications are observed.

- A panel meeting may last from one to six days, often running late into the evening in order to complete the assigned work in the time available.

- While specific review procedures may vary somewhat according to the nature of the art form and the character and volume of applications, panel deliberations always progress through the determination of quality and significance of the work involved, the applicant's ability to carry out a proposed project, adequacy of other funding for the project, and other factors bearing on the relative merits of the application in competition with others.

- The first priority of the panel is to evaluate the quality of each applicant's work and, as appropriate, the value of projects proposed for funding. In certain program categories, this involves viewing or listening to samples of the applicant' s work.

- A first "round" of discussion, covering all applications, generally produces a shorter list of applicants deemed by the panel to be worthy of further competitive review. Discussion then focuses on the shorter list, which may be further shortened in successive rounds of review during which the relative merit of each application is debated more extensively, and other important considerations of management stability, financial responsibility, community and other non-Federal support, audience, and national or regional significance are examined in arriving at the final grant recommendations. The panel must recommend not only which applications to fund, but the dollar amount of each grant, considering all the artistic, management and financial factors that have been reviewed.

- Usually, the panel must make very difficult choices, because the number of meritorious applications exceeds the budget allocation for the category.

- The panel concludes with a final review of all its recommendations, to assure that its individual and collective actions in fact represent the best judgement of the members in light of all the information and discussion. If this review identifies any apparent anomalies or inequities in the overall shape of the recommendations, they can be reconsidered and if necessary adjusted by the panel at that point.

6. Review and Use of Panel Recommendations

- Immediately following a panel meeting, program staff prepare notes on the panel's discussion and recommendations regarding each application. The Chairperson and Deputies are briefed regarding salient aspects of the panel discussions, including any recommendations which may have policy or other implications that require particular discussion with the National Council on the Arts (Council).

- Materials reflecting panel recommendations are sent to members of the Council for review prior to their next meeting, and the Council discusses the recommendations and any questions or issues that arise, before making its own recommendations to the Chairperson.

- Occasionally, an application may be returned to the panel for reconsideration in light of information or concerns raised during the post-panel review process.

- Ultimate reversal of the panel's recommendation by the Council and Chairperson occurs only in rare cases. But the scrutiny given to these recommendations, and the knowledgable questions and informed Council discussion in the broad policy context of the Endowment, adds an important dimension to the total decision process, and helps to inform and guide future panel deliberations as well.

- Thus, the panels are a keystone element in the total decision process. Their expert and careful recommendations are given great weight, but are also constantly tested in the dialogue with Program Directors, the Council and the Chairperson. This dialogue gives expression to the artistic standards of the field itself and helps strengthen the productive relationship between these private standards and priorities and the public policy directions and decisions the Chairperson must make as the responsible Federal official.

7. Appeal

Occasionally, an unsuccessful applicant appeals a grant decision and requests that it be reconsidered. Such a request is taken to the top management level of the Endowment, where the full record of panel consideration is reviewed in detail. If this review indicates that a rejection was the result of a breach of process or an error of fact, the action may be reversed. The number of appeals each year is extremely small; they are attended to promptly and with great care.

Funding of Panel Activity

The major cost of panel operations is panelist travel, per diem expenses and compensation in connection with panel meetings. Panelists are reimbursed for expenses up to the Federal limit of $75 per day; they also receive compensation for their services at the rate of $75 per meeting day. They generally receive no compensation or expenses for the time (frequently several days) spent studying applications and other materials prior to a panel meeting. The principal exception is the $5,000 stipend for Literature Creative Writing Fellowship panelists whose pre-meeting workload is of a wholly different magnitude from that of other panelists. These panelists are required to spend several months reading and preparing written evaluation on thousands of pages of poetry or prose.

The quality and extent of professional services performed by Endowment panelists in return for very modest compensation and expenses represents a significant bargain for the Federal government. In large part, it amounts to a voluntary contribution of time and talent to the work of the Endowment.

Conclusion

Because our panels are so crucial, the quality and fairness of the whole system is never taken for granted by the Endowment; review and improvement is a constant preoccupation of the Chairperson and every Program Director. That is why it can be said with confidence that:

> Panelists are highly qualified.
>
> They are highly diverse in their expertise, backgrounds and viewpoints.
>
> They serve in large numbers, constantly being replaced by new panelists.
>
> They are governed by strict conflict of interest rules and procedures.
>
> They are diligent, thorough and fair in judging applications from their peers.
>
> Their recommendations are taken seriously, and are seriously examined, by the National Council on the Arts and the Chairperson of the Endowment.
>
> Their high level of talent and wide-ranging expertise comes to the Endowment at a bargain price.
>
> They have earned the respect of the arts community for the quality and fairness of their work.

We are determined to maintain and continually improve what is acknowledged by the vast majority of those in the arts fields as a fair and efficient system for judging the relative merit of competing applications for Federal funding from these fields. Both the famous and the obscure are funded and not funded, increased and reduced, based on panel recommendations. Appeals and complaints are rare.

Mr. YATES. I can give you exactly two minutes to sum up, if you wish, if not I will call the meeting to an end.

Mr. PRINCE. I would like to just, if I could, say——

Mr. YATES. Thank you, sir.

Mr. PRINCE. Thank you.

Mr. HODSOLL. To spend two minutes on Arts Education. I promise it will not be more than that. And then on the panels, by all means, put that in the record.

Mr. YATES. Sure.

Mr. HODSOLL. To deal with the points that you raised, they are points that trouble me, I think, equally with you, sir.

Mr. YATES. Yes.

Mr. HODSOLL. I think that in Arts Education it is going to be less a question of our money. I am not proposing that we transfer huge sums in our very limited budget, or even small sums in our very limited budget, from the other programs to put into Joe Prince's program to do this. I am talking about basically taking the program as it exists, and minor shifts, but nothing important as the budget states what we would propose for 1987.

INVOLVEMENT OF STATE ARTS AGENCIES

What I am suggesting here is that if we make it possible for those State Arts Agencies—the bulk of this program goes to the State Arts Agencies now, as Joe was describing—to enter into a partnership with us to take on the educational authorities at state and local level, because ultimately that is where the decisions will be made on this.

I have talked to Secretary Bennett about this, and he tells me, let me put this on the public record, that when he goes out on the stump, and talks to people in the educational community about what they want in their schools, the first four items they list are English, math, science and history, which one might expect, but the next four are art, music, geography and foreign languages. And so he says we have got two out of the eight.

Now, in terms of the Department of Education, as you know, over the last several years they have moved in the direction of block granting, and they have a small discretionary fund.

We are talking about how they might put some money in with us, we are not talking about large money, at the Federal level to stimulate a planning process between the State Arts Agency in those states that want to do this, and some states do not want to do it, between the State Arts Agency and the State Department of Education.

The purpose is, first, to develop a strategy between those two agencies as to how the Arts might become more of a basic K through 12 in those states. The purpose is, secondly, to identify specific schools, hopefully representing different demographics, where one might actually undertake the implementation of this. I guess what I am saying to this committee, and I am not going to go beyond this one sentence, is that I think that is worth a try—to see whether we can establish the arts as a basic in some schools. That is the bottom line.

Mr. YATES. Thank you.

Mr. HODSOLL. Thank you, Mr. Chairman.

[Questions and answers provided for the record follow:]

QUESTIONS FOR THE RECORD SUBMITTED BY CONGRESSMAN YATES

Gramm-Rudman:

Question: Each of the agencies which appear before this subcommittee have had to face the effects of sequestration.
--Please tell the Committee what you are doing to live with the Gramm-Rudman reductions in FY 1986?

Answer: From an agency perspective the reduction in program funds will translate to approximately a three percent reduction in the total number of grants awarded, as well as reduced amounts for some grantees. We do not, however, expect to see a reduction in the number of applications. Since State Programs cannot reduce the total number of grants awarded to state arts agencies, reductions in that Program will be met by cutting grant amounts.

The operating administrative accounts will be equally reduced by the sequestration in FY 86. To meet the required reduction we have implemented several cost reduction measures. We have imposed a virtually complete hiring freeze to reduce our overall FTE. We have met with some degree of success but are continuing to monitor that situation carefully. We have cut staff travel by 40 percent vs. FY 85 levels; panel costs are being cut 15 percent. We have delayed ordering certain equipment which, in turn, will delay implementation of our ADP system in FY 86. We have also taken steps to reduce printing costs on guidelines and other agency materials to the maximum extent possible within GPO contracting procedures. These actions have been taken in an effort to avoid more drastic procedures such as furloughling employees. However, given the limits of savings that will be generated by our reduction measures and uncertainties about the reductions that will result from attrition, we will not be able to make any final decisions about furloughs until after June 1, 1986. We currently believe furloughs are likely. However, we expect they will be of limited duration and will not preclude our basic grant-making for FY 86.

In the Office of Policy, Planning and Research we will reduce the number of grants funded and perhaps defer some research projects.

The reduction in our Matching Grants accounts will be met in two ways. For Challenge, we will reduce the total number of grants awarded. For treasury funds the effect will be similar to that of the program accounts.

Question: What is the impact on the numbers of grants you can award?

Answer: Agency-wide we anticipate awarding approximately 120 fewer grants, (from 4,451 to about 4,330), as a result of the sequester. The impact will be different for each discipline. Some programs will reduce the total number of grants awarded based on panel advice; others will reduce the size of grant awards. It should be noted, however, that we do not anticipate a reduction in the number of applications received during FY 86 or FY 87.

Question: What is the impact on the dollar value of the individual grants you can award?

Answer: Program funds were reduced by 4.3 percent, or a total of $5.2 million -- of which $1.1 million is in State Programs. Overall, we expect average grant amounts to drop from $33,960 to $33,130, or 2.4 percent. Programs will deal with the sequester on an individual basis, by reducing in different proportions the number of grants awarded and specific grant amounts.

Question: What does Gramm-Rudman mean in terms of your ability to administer the programs of the Endowment?

Answer: The sequester will impact on the way that we administer the several programs of the Endowment, but we will attempt to make cost reductions in areas of the budget least likely to affect the grants process. We cannot, however, hold grantmaking areas as "untouchable".

The reduction in our administrative account will have the greatest impact upon our personnel compensation, which constitutes approximately 66% of our total administrative budget -- with SLUC (rent) accounting for another 10% of that budget. We will have to make increased demands upon our staff. Hiring will continue to be curtailed, and through these measures we hope to avoid furloughs. However, due to uncertainties about the amount of attrition that will occur, we will not be able to make a final determination about furloughs until after June 1, 1986. We currently believe furloughs are likely. However, we expect they will be of limited duration and will not preclude basic grant-making for FY 86.

We will have to delay the upgrade of our ADP system.

We will be able to manage in FY 86. The amount sought in our FY 87 administrative budget request is essential to resume an appropriate level of operation.

Question: How have you been able to cut the panel costs by a total of 15 percent?

Answer: We hava reduced planned panel costs by two methods. First, we have realized a certain degree of attrition just prior to panel meetings and have allowed the attrition to occur, provided that the integrity of the panel would not be unduly compromised. Second, we have reduced the number of days some panels will meet and have deferred some panels scheduled near the end of FY 86 into FY 87. This decision relies heavily upon being able to restore panel funding to the level cited in our FY 87 Budget Justification.

Question: What impact, if any, does this reduction in panel costs have on the quality of grants made by the Endowment?

Answer: Panels will continue to strive to recommend only those applications of the highest quality, but they will be under an increased burden due to reduced panel size and duration.

Question: What would the impact be if this reduction in panel costs was carried forward into 1987?

Answer: Meetings of panels cannot be postponed indefinitely; thus, a continuation of these reductions would likely impact the soundness and integrity of panel review -- this at a time when the Congress has expressed a desire for us to review applications even more closely. In order to manage in FY 86 we have deferred some panels into FY 87 on the premise that we will be able to restore panel funding to the levels shown in our FY 87 Budget Justification.

Panel sizes and durations have been reduced to a critical point. We anticipate no reduction in the number of applications which must be reviewed. We are in danger of compromising the panel process and of thwarting the planning process if we do not receive the full amount of our FY 87 request. We will also need the full amounts requested in FY 87 for Personnel compensation, or else preparation for panel review will be similarly compromised, thus making our panel review considerably less effective.

Reauthorization and Amendments

Question: A new authorization, with amendments to the existing law, was enacted in December, 1985.
--How does your new legislation impact your budget request?

Answer: We have not requested any special funds in FY 87 for the new responsibilities reflected in the 1985 reauthorization. Our FY 87 budget was, of course, developed before the amendments were enacted. We were cognizant of the potential for new requirements, and have begun developing plans to implement the law. Our very preliminary estimate is that the new responsibilities will require a minimum of 5 FTE in staff time in FY 87 which we currently plan to absorb within the 258 FTE reflected in our FY 87 request. Beyond the administrative demands, we will develop estimates for programmatic expenditures in the process of developing the FY 88 budget and, if necessary, make additional requests for funding.

Question: What have you done to accommodate section 951(8) which states "that Americans should receive in school, background and preparation in the arts and humanities to enable them to recognize and appreciate the aesthetic dimensions of our lives, the diversity of excellence that comprises our cultural heritage, and artistic and scholarly expression"?

Answer: During 1984, the Endowment, together with NASAA, held a series of regional meetings in Louisville, Kentucky; Fargo, North Dakota; Los Angeles, California; Salt Lake City, Utah; and Boston, Massachusetts. In the late fall of 1984, the Endowment co-funded, with the Rockefeller Foundation and the Department of Education, a survey of state education policies related to the arts. This study was carried out by the Council of Chief State School Officers (CCSSO) in order to determine general educational goals and curriculum, graduation requirements and state funding provisions, etc. related to the arts. The survey "Arts, Education and the States" was published in the fall of 1985 with recommendations which resulted from the response to survey results and discussions with chief state school officers during a meeting on the arts in May of 1985 in Boston, Massachusetts.

We are in the process of revising the Artists in Education Program and are presently in a period of extended consultation about guideline revisions which will encourage, in a substantive manner, state and local education officials to advance the arts as a part of basic education, K-12. We expect to bring those guidelines to the May 1986 meeting of the National Council on the Arts.

Question: What additional workload will the provision in the law requiring post-award evaluation of projects, productions, and programs require?

Answer: As we described in the course of the Congressional reauthorization process, the Endowment maintains an effective post-grant award evaluation program. We currently require, in accordance with OMB uniform grant regulations, submission of final financial status and descriptive reports on our grants. As appropriate, the Endowment also requires the submission of grant products. We also conduct audits of selected grantees to further ensure that grant terms and conditions are met.

While we do not anticipate that the new provisions will have a major impact on workload, since they are essentially an affirmation of current Endowment policies, nonetheless the sharpened focus provided by the legislation as well as the Chairperson's attention to these matters for the past several years is causing an increase in the pressure for more staff, time, and facilities (e. g., ADP capabilities, storage space, etc.), and may affect panel workloads as well. As our efforts in this area become in the future more systematic and comprehensive, our staff and ADP needs will likely further increase.

Question: When do you expect to begin to experience the increase in workload associated with the post-award evaluation requirement?

Answer: We will begin to experience increases in workload during FY 87 and we will carefully monitor these increases to determine what effect they have on the FY 88 budget submission.

Question: How do you plan to implement this requirement?

Answer: We plan to continue to require final descriptive and financial status reports from grant recipients. These reports will be used to judge whether or not the grant objectives were met, and whether or not funds were used in accordance with the grant budget.

We will continue our policy of declaring any delinquent grantee ineligible for further grants. In addition to these post-award evaluation requirements, the reauthorization legislation gave the Arts Endowment new authority regarding grantees who fail to accomplish grant purposes. Where the Arts Endowment has determined that a grantee has failed to satisfy the purpose for which financial assistance was awarded, the Arts Endowment may require the grantee to include a disclaimer of Arts Endowment approval for the project in published dissemination of the project. In such circumstances, the Arts Endowment may in the alternative prohibit the grantee from using the Arts Endowment's name in any way in connection with the project. Administrative implementation of this new authority is complex and may require some additional time for staff to formulate the Agency's procedures.

Question: To what extent will the provision emphasizing panel diversity, and limiting the number of consecutive terms a panelist may serve on a given panel, change the way in which your panel system operates?

Answer: The new provision of the reauthorizing legislation reinforces the emphasis which the Endowment gives to diversity and continuous rotation of panel members. Since the panel system currently operates in the manner required by the new language, no changes are contemplated on this basis. Aesthetic, geographic and cultural diversity are central considerations in the selection of panelists. The annual replacement of panelists normally ranges from about 35% in some panel sections, to well over half in most, and up to 100% in others, with an Endowment-wide average of about 50%. We are also well within the new legislative requirement that no more than 20% of annual appointments shall be for service beyond the limit of three consecutive years in the same panel section. To date, only 3% of appointments for FY 86 have been for service beyond the three year limit.

Question: The new law requires a joint study by NEA and NEH, in cooperation with the Secretary of Education on the state of arts education and humanities education as currently taught in the public elementary and secondary schools in the United States.
--Given this requirement, why do you propose in the FY 1987 appropriation to change the artists in education program? (The justification indicates [p.97] that "FY 87 will mark the transition from a program oriented primarily to artists residencies to a program oriented to arts education more generally.")

Answer: The requirement for arts education in the new reauthorization legislation parallels a growing interest of many state education agencies which are increasing graduation requirements in the arts and at the same time parallels the Endowment's continuing emphasis on substantive and sequential arts education in the schools. Prior to the arts education language finalized in the December '85 reauthorization legislation, Congress had stated strong support for arts education initiatives. The House Committee Report recognized "that arts and the humanities play an important role in cognitive learning and in making the arts and humanities less elitist and more available to all citizens." The Senate Report commended the initiatives undertaken by this administration and hoped that the Chairperson "will pursue, as well as his successor, with full strength of statutory authority, a strong agenda in this area."

Proposed changes in the Artists in Education Program will advance, in a broader sense, arts education and allow continuation for artists residencies as deemed appropriate by the states Guidelines will encourage state arts agencies to work closely with state education agencies to advance the arts as a part of basic education, K-12. This cooperation can result in significant programming designed at the local level, and, at the same time, produce additional information about the state of arts education for use by the states and the Endowment.

Question: What opportunities exist for the general public to have a role when you make changes in the guidelines?

Answer: The Endowment develops and revises Program guidelines, usually on an annual basis, with broad consultation from the fields, the panels, and the National Council. Each guideline is discussed at an open session of one or more panel meetings and then at an open session of the National Council on the Arts. Prior to each such session, notice is published in the Federal Register, indicating date, time, and place. Individuals attending open public discussion of guidelines as observers are frequently invited to ask any questions or make any comments in conversation with the panel.

With specific regard to the Artists in Education Program, the Endowment has had broad consultation for three years and the proposed program is the result of that consultation. Five regional meetings including artists, educators, administrators were held in 1984. Draft guidelines for a revised program were circulated widely in the fall of 1985 to all 56 states and special jurisdictions as well as the arts and education communities. Numerous letters have been received and assessed for suggestions concerning programmatic changes. We will continue the general dialogue with a view to the proposed guidelines going before the National Council on the Arts in May 1986.

Question: What new role do you foresee for the state arts agencies in fostering more attention to arts in the education process?

Answer: State arts agencies will be encouraged to work actively and cooperatively with state education authorities to determine the conditions of arts education within each state and to determine the most appropriate roles for the various partners to advance the arts as part of basic education. Each state arts agency will determine how its programming might assist to this end; this might include artists residencies, teacher in-service workshops, advocacy, collaboration of arts and education institutions, and/or other programming designed to complement education efforts and advance the arts as part of basic education.

Question: The Council of Chief State School Officers survey on arts education found that the major obstacle to improved arts education is the lack of certification requirements and teacher preparation. Would you expect the state arts agencies to address this problem? If so, how would you expect them to do so?

Answer: The lack of certification requirements and teacher preparation is of concern to many who have assessed the condition of arts education. State arts agencies have no mandate to alter teacher certification requirements and teacher preparation. This is in the domain of the state education departments and institutions of higher education. However, SAAs can encourage changes in two ways. First, the state and local arts councils can use their influence to encourage education authorities to make changes in teacher certification and preparation. Second, SAAs can provide for teacher in-service training to improve the conditions presently in the classrooms. In our present AIE programming, artists are funded to work with teachers to improve skills and understandings. Likewise, our Special Projects category devotes nearly two thirds of its grants to teacher in-service projects.

Question: Currently, all the states applying for Arts in Education grants receive an award.

--What criteria do you currently use to award the grants and what would you use if the guidelines are changed?

Answer: Current criteria used to judge SAA applications include the extent to which the program assists arts education; extent to which processes ensure the quality of the program; the extent of state and local commitment of resources (funds and people); the extent to which the proposed program reflects geographic, ethnic and cultural diversity; and the extent to which evaluation is used to improve the program.

Many of these criteria would continue to be part of any application review. However, the criteria would be applied to the entire arts education program proposed by a state arts agency rather than be restricted to artist residencies as is presently the case. Any new program would result from careful assessment and planning by SAAs cooperating with state education agencies and other constituencies interested in the overall goal. New guidelines will also include criteria relating to long-range planning and programming designed to address the goal of making the arts a part of basic education. It should be noted, however, that state arts agencies not wishing to move beyond supporting artist residencies in FY 87 would not be obliged to do so; they could continue their current programming.

Question: In changing the guidelines, would you expect a reduction in the emphasis that is placed on the artist residencies?

Answer: Whether or not there is a reduction in artist residencies will be determined by state art agencies. The Endowment will ask the SAAs to assess needs and develop programs based on those needs. If an SAA logically determines that artist residencies are an important element in advancing the arts as a part of basic education, that will be supported by Endowment funding. If the SAA determines that additional activities should be undertaken, those too will be supported. We expect that most states will continue with artist residencies, and many may expand into broader arts education efforts.

Question: Part of the Education Program and the Media Program is an effort to develop an arts television series for children ages 8 to 10. This is being done in partnership with the J. Paul Getty Trust.

--At what stage of development is the project now?

Answer: Grants have been awarded by the Endowment and the Getty Trust to two organizations --WNET/New York, and WGBH/Boston --to produce pilot programs for a children's television series on the arts. Following the submission of the pilots on May 1, 1986, RMC Research will test the programs with children in the 8-10 year old target age group. The pilot programs and RMC's evaluation will then be reviewed by a panel in July. It is expected that one of these two organizations will then be selected to undertake the series. The Endowment and Getty plan to contribute to the series. Efforts are underway to locate additional sources of series support.

Question: When would you expect the series to be developed?

Answer: Production of the series will begin immediately upon the selection of the producing organization in late summer 1986. It is expected that the series will be ready for broadcast during the 1987-88 season.

Question: Would this be presented on commercial or public television?

Answer: It is assumed that the series will be broadcast on public television, although there are precedents for promotional broadcast on commercial television (e.g., Sesame Street). However, its use in schools is also anticipated.

Design Program

Question: In the listing of 1985 Design grants, provided to the Committee, is one for $4,456 "to complete a research project for the Design Arts Program."

--Why would you use Program funds for a research project for the Design Arts Program rather than the Office of Policy, Planning and Research?

Answer: The grant for $4,456 was awarded in Fiscal 1985 for the purpose of suveying and analyzing design competitions conducted since 1980. This work differs from the empirical research undertaken by the Office of Policy, Planning and Research in that the survey was performed in preparation for a series of regional workshops on design competitions (to begin April 1986), and the development of a publication and audio-visual presentation on the Design Arts Program's five-year effort in supporting design competitions.

Question: You also list $5,000 "to amend a previous contract for publications and to increase the scope of work." Are you permitted to initiate contracts in these program categories? What publications are involved under this contract?

Answer: The $5,000 was used to amend a cooperative agreement to produce a series of publications. The cooperative agreement was let under the Program's Design Communication Leadership category, which includes cooperative agreements as well as grants. In this case, the affected publications were Places As Art and Artists Housing. The cooperative agreement resulted from a competitive solicitation to the field.

Expansion Arts Program

Question: The request for the Expansion Arts Program is $5,450,000, a decrease of $1,333,000 from the presequestration level of 1986. There are no changes proposed in the structure of this program.

--The category, special projects, awards grants to organizations which then regrant to emerging arts organizations. What control does NEA have over the regranting process?

Answer: While the Community Foundation Initiative (CFI) is a devolved funding program designed to allow maximum local determination of regrant procedures, certain general principles are agreed to during grant negotiation and the application review which must be adhered to by the community foundation during the period of the grant and beyond. In the main these principles relate to the funding of emerging arts organizations and, in some instances, invididual artists from underserved populations. In order to assure that such organizations and individuals comprise the bulk of the recipients of the regranted funds the Program maintains the following controls:

1) Funds are not released until there is formal verification that the match requirements have been met and the application review of subgrantees has been completed. The Program must be in receipt of a list of subgrantees with the amounts awarded to each. This rule applies for all four years of the CFI effort, thus allowing for an extended period of control which should establish these principles with reasonable solidity.

2) CFI requires a panel review system for grant determination. These panels must be established with the involvement of the state or local arts agency (depending on whether the community foundation is a local or statewide organization) and must also include representation of the Expansion Arts field. The Program monitors the panel appointments to assure that such representation occurs.

3) Biannual interim reports must be submitted by the community foundation so that the Program can be informed of the current state of its regrant activity.

4) A condition of the CFI is that each participating community foundation must submit to the Program a trust instrument that governs the endowment that is created with the match to Endowment funds. Though the language may vary according to local cultural features, these trust instruments must specify that awards from these funds will be made only to emerging arts organizations including the Expansion Arts field, though in some instances individual artists from underserved populations have also been funded. This document must be accompanied by a letter from the community foundation's attorney certifying that the terms of the trust instrument are irrevocable according to state law.

Thus our review not only gives us during the grant period review of the panel composition and grant distribution, but also offers some assurance that the principles of this program will be binding in perpetuity.

Question: What complaints, if any, have you received because of the termination of the CityArts Program at the end of fiscal year 1985?

Answer: There have been no complaints about the termination of the CityArts Program. This probably is attributable to the fact that, in a sense, CityArts was not terminated but rather enlarged into a full division of the Arts Endowment. That division is the Locals Test Program, within the Office of Public Partnership, which incorporated the principles of CityArts into its guidelines.

Question: To what extent do Indian tribes participate in the offerings of the Expansion Arts Program?

Answer: The Expansion Arts Program actively solicits applications from Native Americans. In the guidelines, the word "tribal" is used specifically to emphasize the Program's interest in Native American organizations. The Program advertises this concern through the Native American service organization, ATLATL, state arts agencies and various newsletters. In FY 85 of 11 applications received 10 were funded. A list of these organizations and their locations follows:

List of FY 85 Native American Grantees of Expansion Arts Program

Akwesasne Museum
  Hogansburg, NY

American Indian Community House/
  Native Americans in the Arts
  New York, NY

Artists of Indian America, Inc.
  Albuquerque, NM

Crow Central Education Commission
  Wyola, MT

Inter-Tribal Indian Dancers
  Tucson, AZ

Minneapolis American Indian Center
  Minneapolis, MN

Native American Center for the Living Arts, Inc.
  Niagara Falls, NY

Native American Theatre Ensemble/Los Angeles
  Actors' Theatre
  Los Angeles, CA

Oneida Nation Museum
  Oneida, WI

Xicanindio/ATLATL
  Mesa, AZ

Question: The 1985 listing of grants for Expansion Arts includes one of $31,500 for the Ethnic Folk Arts Center "for a series of dance workshops that feature traditional ethnic musicians; four concerts of immigrant ethnic music, master dance, music and song workshops; and videotape documentation of these events."

--What distinguishing charateristic identifies this particular grant with the Expansion Arts program rather than the Folk Arts Program?

Answer: The distinction between the grant awarded to the Ethnic Folk Arts Center by the Expansion Arts Program and Folk Arts is to be found in the nature of the projects for which funds were awarded by the two divisions. The Folk Arts grant is for a very specific multi-phased day-long program including films and workshops leading to an evening concert of traditional Irish music titled "Cherish the Women." This concert presented eight father-daughter pairs of Irish musicians. The day's events were documented by two LP records. The Expansion Arts grant is primarily for ongoing workshops in dance and traditional music, which would be ineligible under the Folk Arts Program guidelines. In other words, the Expansion Arts Program funds sequential professional training of emerging professional artists in all disciplines, including traditional folk disciplines. The Folk Arts Program does not fund such activities.

Question: Another grant in the Expansion Arts listing for 1985 goes to a St. Paul, Minnesota organization "to provide $33,000 for subgrants and $17, 000 for administration."

--Is it cost effective to have an organization providing subgrants use $1 out of every $3 for administration of those grants? (Other grantees have better ratios. One, for example, is $50,000 for subgrants with $10,000 for administration.)

Answer: The ratio of administrative funds to regrant money is not unreasonably high when one considers the quality and variety of services that COMPAS provides emerging organizations. The regranting instituted through the CityArts grant is augmented by one of the best technical assistance programs to be found anywhere. Components of that program include:

-- Arts management workshops on fundraising, publicity, volunteer management and planning. During 1985 a total of 192 managers of small arts organizations attended 11 workshops. The registration fee for the workshops was $10, a token considering that their cost was far greater. These arts management workshops were important, for they allowed representatives of organizations which generally are artist-led, and whose artistic work exceeds the quality of their administration, to be trained by professional arts managers;

- An internship program that pairs grantees in need of administrative personnel with individuals seeking "hands-on" experiences in arts administration. This service not only augments the arts organization's staff but also provides career development for potential professional arts administrators; the service has obvious long-term benefit for the future of emerging arts organizations in St. Paul;

- A program which provides opportunities for the leaders of emerging arts organizations to work one-to-one with professional consultants. The consultant's fee is $25 per hour, though the arts organization is charged only $10. COMPAS pays the balance.

All this requires considerable administration, which our Program was able to support.

Inter-Arts Program

Question: The request for the Inter-Arts Program is $3,600,000, a reduction of $500,000 from the preseqestration level of 1986. The Inter-Arts Program assists: (1) artists to create and produce significant interdisciplinary work that crosses or transcends traditional arts disciplines, (2) presenting organizations which present art of the highest quality and reach diverse audiences and increase public access to the best of the arts, (3) service organizations which help artists and arts organizations to strengthen their growth and development, and (4) artists' colonies which provide creative work time for professional artists.

--Given the cross-cutting nature of the Inter-Arts Program, how do you effectively coordinate these activities with those which are more oriented to a particular discipline such as music or theater?

Answer: If an application comes to the Inter-Arts Program from an organization generally identified with a particular discipline, our staff contacts the other program's staff specialist to discuss the nature of the application, to discuss its appropriateness to the category in question and to ascertain whether other proposals may be duplicative.

For instance, the Ravinia Festival in Chicago applied to and was funded in the amount of $20,600 under the Music Festivals category of the Music Program to support artists fees during the 1984 Festival. The Festival, which presents other artforms in addition to music, received $25,000 through the Inter-Arts Presenting Organizations category for audience development in FY 83.

In the case of Interdisciplinary Arts Projects, the Trisha Brown Company received $49,930 from the Dance Program in FY 84 for "maintenance of a home season in New York City and 4 weeks of national touring." The Inter-Arts Program awarded $10,000 to the Trisha Brown Company specifically for development of a new interdisciplinary "collaboration between Miss Brown; Peter Zummo, composer; and visual artists Nancy Graves and Beverly Emmons."

Question: In the discussion of many of the different program elements, the need for assistance to artists in management, law, marketing and fund raising is addressed and highlighted. Why, then, would you be reducing this area from $551,000 in FY 85 to $375,000 in the 1987 request, a reduction of almost a third in just two years? Is this an indication that you are close to solving the management problems facing arts organizations?

Answer: The allocation of funds to the services category is in line with the proportion of applications received and dollars requested in the various Inter-Arts categories.

For instance, in FY 85, the Presenting Organizations category received approximately $7.2 million in requests from 260 organizations; the Interdisciplinary Arts Projects category received over $5 million in requests from 219 organizations vs $1,126,075 representing requests from 59 organizations in the Services to the Arts category.

The Program's primary support historically has been to promote the creation and presentation of art through the Interdisciplinary Arts Projects and the Presenting Organizations categories. The Services to the Arts category is of a complementary nature and provides important assistance in the areas of management, fundraising, etc. Generally, such assistance is also provided by service organizations funded in the single discipline programs.

Media Arts Program

Question: The request for the Media Arts Program is $9,050,000, a reduction of $3,165,000 from the presequestration level of $12,215,000 in 1986.

--The justification (p.55) indicates that there are discussions among radio professionals, major stations, National Public Radio, and the NEA about the possibility of establishing a radio drama center at a major audio facility. What would be the purpose of such a facility? What role do you foresee for NEA in such a facility?

Answer: The request for FY 87 includes $9,050,000 in definite (Program) funds plus $1,150,000 in indefinite (Treasury)funds for a total of $10,200,000. The presequestration level in 1986 includes $12,215,000 in definite funds plus $850,000 in indefinite funds for a total of $13,065,000. The reduction in funds from FY 86 to FY 87 including both definite and indefinite funds is $2,865,000.

The purpose of this center would be to coordinate production of radio drama for national distribution by bringing together major producers in this field, providing them with access to the proper facilities with which to realize their projects; assisting them in gaining access to private sector funding and designing rational distribution vehicles for bringing the produced works to a national audience. Additionally, the center would act as a liaison with writers' organizations, media centers and stations sponsoring workshops and conferences in radio drama, and with performing artists. The Endowment's role would be that of catalyst, rather than major funder. Endowment support at the beginning of such a project is, typically, crucial; its value outweighs the magnitude of actual funding.

Question: Would you contribute funds?

Answer: We expect to receive an application for FY 87 funding to support a national drama center. (It has not yet been determined which organization will act as fiscal agent for the center, which will involve the participation of radio stations, audio facilities, independent producers and writers.) Funding will depend on the recommendations of the Radio Advisory Panel and the National Council on the Arts.

Question: --If so, how much and when?

Depending on the recommendations of the Radio Advisory Panel and the National Council on the Arts, as well as our appropriations level, we expect that Endowment support for such a center would not exceed $50,000 in Fiscal Year 1987.

Question: The Special Projects category of the Media Arts Program is one of the few areas of the NEA to receive an increase. From a level of $250,000 in FY 1986, it doubles to $500,000 in the FY 1987 request.

--What are the special needs you are trying to address by doubling the request? What do you hope to accomplish with the additional money that you cannot do at the current level?

Answer: By doubling the request for Special Projects funds, two new initiatives can be undertaken.

One initiative planned is the cassette distribution of previously-funded television arts programs for educational purposes. The result of our joint effort with Exxon (assisted by the President's Committee on the Arts and Humanities) to recycle existing arts programs to public libraries encourages us to test other non-broadcast distribution methods. Plans include working with a small group of outstanding teachers to identify ways existing material can be packaged for incorporation into the school curriculum. The target age group is expected to be 12-14 year olds. This group is old enough to use material originally intended for general audiences and not too old to be closed to "culture." This project would complement the Arts Endowment/Getty children's series intended for 8-10 year olds.

We are also planning a Media Arts/State Arts Agency inititiative in which SAAs will be provided with seed money -- to be matched by state moneys -- for more intensive support programs for the media arts. Although a few state arts agencies have vigorous media arts programs, and 22 have contributed funds toward our Regional Fellowship Program, most do not have the expertise to develop systematically support programs for media artists and media organizations. It is hoped that such an initiative will have important impact on media arts centers and regionally-based independent producers.

Question: The Committee has received numerous letters, some with petitions, protesting the showing of the foreign film entitled "Hail Mary" at the Lincoln Center in New York City, and other locations nationwide. Typically, the letters say that, "this film is a false and blasphemous portrayal of the Blessed Virgin Mary. It is sacrilegious, pornographic, repulsive, and an insult to all faithful Christians who revere the Mother of God".

--What involvement does the Endowment have with the film "Hail Mary"?

Answer: "Hail Mary" is a French film by the well known filmmaker Jean-Luc Godard. The Arts Endowment had no funding in the making of "Hail Mary." This film was shown at the New York Film Festival at the Film Society of Lincoln Center in October, 1985. The Endowment does support the New York Film Festival. Information on this funding follows.

The Media Arts Program has supported the Film Society of Lincoln Center for the New York Film Festival since Fiscal Year 1978. (The New York Film Festival is considered the most important film festival in the country.) The Film Society has also received support for the New Directors/New Films Festival (in association with the Museum of Modern Art) and the magazine Film Comment. In Fiscal Year 1985, the Arts Endowment provided a total of $35,000 for these projects which had a total project cost of $1,064,000.

The Media Arts Program Advisory Panel made its recommendation on the basis of the artistic quality of the Festival, as evidenced by the merit of films shown in previous years. The panelists did not have advance knowledge of the particular films to be screened. This is due, in part, to the fact that the panelists meet to recommend funding over a year in advance of the Festival taking place.(They met in August 1984 to evaluate applications for film festivals which took place in the fall of 1985.) At that time, the particular films to be shown at the 1985 New York Film Festival had not been selected. (Because the Festival usually showcases newly-released films, it is not possible to make selections a year in advance.)

Question: Is there truth in the allegations contained in the letters?

Answer: The filmmaker, Godard, has stated repeatedly in interviews that it was never his intention to demean or trivialize religious beliefs. However, some segments of the public have been offended by the film.

AMERICAN FILM INSTITUTE

Question: The request for the American Film Institute is $2,150,000, or $200,000 less than the presequestration level of 1986.

--The justification (p.55) indicates that Endowment support provides approximately 23 percent of the Institute's annual budget. How does this compare to the mix of private/public support over the last ten years?

Answer: The Arts Endowment's percent of support of the American Film Institute vs. total income for FY 76 through FY 85 is as follows:

FISCAL YEAR	TOTAL AFI INCOME	NEA SUPPORT*	NEA %
1976	$ 4,742,000	$ 2,022,000	42%
1977	$ 6,581,000	$ 2,380,529	36%
1978	$ 6,426,000	$ 2,880,000	44%
1979	$ 7,460,000	$ 2,637,500	35%
1980	$ 8,782,000	$ 2,900,000	33%
1981	$10,714,000	$ 3,031,000	28%
1982	$10,494,000	$ 3,350,000 (Includes $750,000 Challenge Grant)	32%
1983	$11,858,000	$ 2,802,000	24%
1984	$12,587.000	$ 2,460,000	20%
1985	$13,129,000 (Projected for Year ending 6/30/86)	$ 2,779,000	21%

*Includes all grants and Cooperative Agreements.

Question: Even though there is no competition for the American Film Institute, a panel is convened to review the application. Who serves on this panel, and what is their role?

Answer: The panel's role, as with all other panels, is to review the AFI's submission and to make recommendations to the Chairperson and the National Council on the Arts. In addition, the AFI panel is charged with the responsibility of studying the Institute's general health, including review of programs we do not fund. The Institute's programs, fundraising, future plans, and its liaison with the media arts centers field are all part of the panel's review. In other words, the AFI gets a closer scrutiny than any other media organization. The panel makes a detailed report to the Program Director and the Chairperson on all these matters.

Panelists reviewing the AFI application in 1985 were:

John Ptak(Panel Chairman), Vice President of Motion Pictures, William Morris Agency, Los Angeles, CA; Louise Etra, video and computer graphics artist, Oakland, CA; Emily Galusha, Manager of New Business Development for the American Medcenters in Minneapolis. Ms. Galusha is the former Chairman of the Board of Film in the Cities(a media arts center) and a former administrator of grant programs for the McKnight and Bush Foundations; Tom Luddy, Director of Special Projects for Zoetrope Studios, formerly Director of the Pacific Film Archive in Berkeley, CA; Daniel Taradash, screenwriter (From Here to Eternity, Picnic, Golden Boy, Hawaii),former President of the Academy of Motion Picture Arts and Sciences, Beverly Hills, CA; Joan Shigekawa, Television Producer, New York NY; Melinda Ward, Executive Producer of Alive From Off Center television series, formerly Director of the Film Program at the Walker Art Center, Minneapolis, MN; and Roy White, owner of Mid-States Theatres of Cincinnati, OH and former Chairman of the Board of the National Association of Theater Owners.

In 1986, the AFI panelists were:

Roy White(Panel Chairman), Louise Etra, Emily Galusha, Joan Shigekawa, Melinda Ward (all listed above), Cicely Tyson, stage and screen actress (The Autobiography of Miss Jane Pittman, Roots, Sounder), New York, NY; and William Wittliff, screenwriter(Raggedy Man, The Black Stallion, Country) and board member of the Sundance Institute, Austin, TX. (NOTE: Although he was appointed to the panel, Mr. Wittliff could not attend the panel meeting).

Question: What control do you have over the subgrants issued by AFI?

Answer: The American Film Institute conducts two subgranting programs with Endowment funds: The Independent Filmmaker Program and the joint AFI/NEA Film Preservation Program.

As with all subgrant arrangements throughout the agency, the Endowment and its panels have control over the selection process used in awarding the subgrants.

Our Agreement for the Independent Filmmaker Program requires that "..the advisory panel shall consist of a minimum of five experts from the cinematic field and shall represent a broad spectrum of independent filmmaking, including the categories generally described as experimental, documentary, and narrative." The Program monitors these panel appointments to assure that proper representation occurs.

Following the panel meeting, the AFI is required to provide the Endowment with a list of the grantees, a description of each project, the amount awarded, and statistical information on all applications received, amounts requested and geographic distribution. The AFI submits a full report on films in progress and information on completed projects at the end of each year.

In the case of the joint NEA/AFI Film Preservation Program, applications are reviewed by a panel appointed by the Arts Endowment. Program staff attend the preservation panel meetings and personally monitor the review procedure.

The AFI submits quarterly status reports on funds obligated to its grantees. The AFI obtains final reports from each grantee and submits to the Endowment a final narrative report which lists all film titles acquired and preserved under the Agreement.

Museum Program

Question: The Museum Program supports art conservation training centers and master-apprenticeships in conservation.
-- How many of the training centers do you have and how many people have you been able to train through this program?

Answer: There are four university-based training centers with a total enrollment of some one hundred students. Approximately thirty-six students are graduated each year.

The Endowment's support for these programs began in 1971 when grants were made to the New York State Historical Association (Cooperstown Graduate Program) and to New York University, Institute of Fine Arts; the following year Harvard's conservation training program was formalized with an Endowment grant; and in 1973 the Endowment's first conservation training grant to the University of Delaware was awarded.

In addition to these four conservation training centers, the Endowment supports master-apprenticeship training conducted at a number of museums and regional conservation centers around the country. Such training provides the student with hands-on experience in a conservation laboratory and the opportunity to refine skills and techniques while under the supervision of an experienced staff. Most of these students are graduates of the university-based training centers. Eight grants will be awarded for master-apprenticeship programs in FY 86, supporting conservation training for 10 students.

Question: What is the practical effect of a lower level of awards in FY 1986?

Answer: A lower level of awards in FY 86 will not significantly diminish the Endowment's overall impact on conservation training. It is anticipated that the same number of students will be trained, both at the four training centers and in the master-apprenticeship programs. The long-term effect could be reduced stipends for students at the conservation training centers (Endowment grants are for student stipends only) and reduced stipends for master-apprenticeships at museums and regional conservation centers. We expect private fundraising to make up this aggregate difference of $50,000 out of an aggregate program cost of more than $2.2 million.

Music Program

Question: The request for the Music Program is $9,600,000, a reduction of $2,600,000 from the presequestration level of 1986. The justification (p. 70) indicates that "institutions need to produce more broadly educated young professionals and realistically address the gap between formal training and career entry."

--How does your music program address these problems?

Answer: The Music Program is addressing this question through the following kinds of assistance:

1) The Professional Training category fosters the career development of committed, talented American musicians through support of their training and education as artists. Many of the grants support projects which are designed to help launch the graduates in musical careers after graduation. In this same category, the Program supports Pilot Residency Projects, designed to give emerging American chamber ensembles (graduate level) professional performing experience through residencies in communities. The Music Program just last week concluded a meeting of the Music Professional Training Panel, during which time the panel recommended thirty-eight (38) grants to training institutions throughout the country.

2) The Career Development category assists organizations, other than presenting organizations and educational institutions, devoted primarily to the professional career development of American solo recitalists. The Music Professional training Panel also recommended three Career Development grants for FY 86.

   Despite the Music Program's overall reduction in the FY 87 budget request, the Career Development funding level remains unchanged.

3) Coordinated by Affiliate Artists (Service Organization), with assistance from the National Endowment for the Arts, are the following programs:

   a) Xerox Pianists Program - Places pianists in two-week residencies with a variety of leading American orchestras. The two-week visits are filled with concert appearances, recitals, and "informances."

      This program is one of the grants funded under the Career Development category. Consequently, this program should be unaffected.

   b) Exxon/Arts Endowment Conductor's Program - Addresses the issue of career development of gifted conductors in the early stages of their career. Conductors perform on a full-season basis, for up to three years, with a major symphony orchestra or opera company.

      This program is funded under the Orchestra category, which will experience a 17% reduction in the requested FY 87 budget. Since the Orchestra Panel looks favorably on this program, it seems likely that the panel will recommend only a modest reducton.

4) The Jazz Fellowship category includes Jazz Study (Apprenticeship and Professional), which promotes intensive one-on-one study with a recognized professional jazz artist. Despite the Music Program's overall reduction, the Jazz Fellowship funding level remains unchanged from the presequestration level of FY 86.

Opera-Musical Theater Program

Question: The request for the Opera-Musical Theater Program is $3,100,000, a reduction of $1,000,000 from the presequestration level of 1986. The category, Professional Companies is reduced by one-third from $2,450,000 to $1,600,000, one of the largest percentage reductions of any program in the Endowment.
--Why do you believe the Professional Companies category should take such a disproportionate share of the reductions?

Answer: The Opera-Musical Theater Program's overview panel has consistently upheld the priority of the Professional Companies category as reflected in the high percentage of the Program budget which it represents. Though other categories appear to be spared from reductions, in fact they had already been pruned to lower levels. The panel has expressed concerns that at lower levels the effectiveness of smaller categories may be hampered. Conversely, at the requested level the Professional Companies category could still award significant grants to the most excellent companies, but the number of grants would be reduced. Although program funds are reduced from $2,450,000 to $1,600,000 for FY 87, an additional $200,000 in Treasury funds are included in our budget proposal for FY 87.

Question: Why do you propose to add one staff person to the Opera-Musical Theater Program?

Answer: Within the past several months, a vacancy was filled in the Opera-Musical Theater Program, so there are currently four Full Time Permanent staff in this program. Therefore, there is not an increase per se in FY 87. The FY 86 FTE estimate appears lower than FY 87 due to rounding variances.

Theater

Question: The request for the Theater Program is $9,200,000, a reduction of $1,500,000 from the presequestration amount available in 1986. No Treasury funds are allocated to the Theater Program.

--Why is there no need for Treasury funds to be allocated to the Theater Program?

Answer: Fiscal Year 1987 will be the third consecutive year in which no Treasury funds are allocated to the Theater Program. In recent years, theater companies have attempted to re-orient their priorities towards artistic issues, having passed through a stage of development in which concentration on management sophistication and institution-building was necessary. To aid in this process the Program is focussing its Professional Theater Companies grants in areas of grantee budgets which need reinforcement: for example, enhancing artistic standards by bringing artist salaries to levels already achieved for administrative personnel. In turn, such expense items often are too narrow to allow both a three-for-one match and a substantial grant amount; in other words, if the expense items being supported are no more than twice the grant amount, then a three-for-one match is not possible. Because a substantial number of grants are focussed in this way, the use of Treasury funds is administratively unwieldy in the context of the Theater Program.

Test Program of Support for Local Arts Agencies

Question: The request for the locals test program is $2,200,000, the same level as in 1986. The program is undergoing a major internal and external evaluation which is to be completed within the next year.
--How is this evaluation being accomplished?

Answer: The evaluation of the Locals Test Program is being accomplished through both internal and external examination. Internally, the program is being evaluated by the Program Director, Deputy to the Chairperson for Public Partnership, and the Chairperson.

Question: What external evaluation of the program is being carried out?

Answer: The external evaluation of the program is being carried out by the University of Southern Maine under an Endowment contract which is being monitored by the Endowment's Office of Policy and Planning.

Question: At what point will the test program convert from "test" to a full fledged program?

Answer: The decision with regard to the "test" will be made during 1986. When the evaluation is completed, the results will be discussed with the Locals Test Program Advisory Panel and the National Council on the Arts and a determination will be made regarding the future of the Program. This determination will be reflected in our FY 88 Congressional budget submission next year.

Question: At the point the test program stops being a test, would you expect funding levels to increase?

Answer: Until we have completed the evaluation, we do not know the amount of money needed for this area.

State Programs

Question: The request is $21,500,000 for State Programs, a decrease of $3,150,000 from the presequestration level of 1986. Part of the State Programs activity is Regional Arts Programming Grants. Seven grants are awarded on an annual basis.
--Do the seven regions covered in these grants include all 50 states?

Answer: All 50 state arts agencies are affiliated with one of the seven regional organizations, with the exception of the California Arts Council, which is actively exploring the possibility of affiliation with the Western States Arts Foundation. In addition, the jurisdictions of the District of Columbia, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands are each affiliated with a regional organization.

Question: What are the advantages of the regional program over the state programs?

Answer: Regional organizations were formed to administer support for performing and visual arts touring and other programs most cost effectively handled on a regional, multi-state basis. Unlike state arts agencies, they are private, non-profit organizations, and most raise private funds (a total of $959,000 in FY 84) to supplement the support they receive from the Endowment and member state arts agencies.

These organizations address a variety of needs, which vary from region to region. They administer data-base services and staff training and technical assistance programs for arts organizations, staff workshops for member agencies, and regional fellowship programs. As a group, however, their most important function is to provide fee support and block booking services which make possible the presentation of arts events of high quality in a large number of communities where such events would not otherwise be available.

In 1984 regional organizations provided well over $2 million in support for performances, exhibitions, and residencies. In the six New England states alone, a regional organization helped to support 822 projects which brought the arts into communities throughout the region.

The regional organizations complement the work of the state arts agencies and are essential to the Endowment's efforts to enhance arts presence, particularly in those communities isolated from the major urban areas.

It might be noted that in response to needs expressed at reauthorization hearings in 1973, section 5(g) of the Endowment's authorizing legislation was amended specifically to provide for support to regional groups [Section 5(g)(3) subparagraph (A)].

Question: In part, the State Programs money goes to cover the expenses of the National Assembly of State Arts Agencies ($270,400 in FY 84). This money is matched, primarily with member agency dues.

--Can the states use their NEA grant money to pay for their dues to the National Assembly of State Arts Agencies?

Answer: Where necessary, State Arts Agencies use Basic State Grant funds to pay membership dues to NASAA. However, NASAA estimates that funds it receives from other sources are more than sufficient to match its Endowment grant.

Question: Who, other than the National Assembly of State Arts Agencies, received a grant under the category of state support services?

Answer: The State Support Services Category is restricted to organizations providing services at a national level to state or regional arts agencies. The National Assembly of State Arts Agencies is the only national service organization for state or regional arts agencies, and is therefore the only organization which ordinarily receives funding under this category.

In the past, a small number of special grants have been awarded through the State Support Services category on an "ad hoc" basis for projects that respond in innovative or timely ways to needs and opportunities of the field as a whole. State, local, and regional arts agencies have received such grants. In the future, however, all such grants will be awarded through a separate "Special Projects" category.

Question: To what extent does the National Assembly of State Arts Agencies lobby for federal appropriations?

Answer: The National Assembly of State Arts Agencies represents the needs of its member agencies at the federal level, and in doing so it may advocate for federal appropriations. NASAA is prohibited by the Endowment from using any federal funds or matching funds for such purposes, and care is taken to assure that this prohibition is observed. These same prohibitions apply to service organizations in the arts discipline fields.

Advancement

Question: According to the justification (p. 110), the Advancement program "serves as a complement to the Challenge Grant Program by assisting smaller arts organizations of the highest artistic quality in achieving improved new levels of financial and administrative stability".

-- How does this program relate to the Expansion Arts program? Is there any duplication of effort in these two programs?

Answer: The Advancement Grant Program and the Expansion Arts Progam do not relate in any way except that both serve smaller organizations.

The fifteen participants in the pilot Advancement effort (1979-1983) were Expansion Arts grantees which needed assistance in their financial and administrative capabilities. A total of $2,200,000 in federal funds were awarded with ten of the fifteen grantees successfully completing the program and raising over $11 million in matching funds.

Because of the success of the pilot Advancement Program, it was decided to continue this program to serve all twelve Endowment program fields on a rotating basis under slightly different guidelines. In 1985, the field of Expansion Arts was once again offered the opportunity to participate in the program.

There is no real duplication of effort between the Advancement Grant Program and the Expansion Arts Program. The Advancement Grant Program assists all of the fields, not just organizations deeply rooted in and reflective of a minority, inner city, rural, or tribal community. It also offers participants technical assistance for up to a period of twelve months whereas the Expansion Arts Program does not. The Advancement Grant Program also requires a higher matching ratio than the Expansion Arts Program (3:1 versus 1:1). Further, the grant purposes offered in the Advancement Grant Program are quite different from those of the Expansion Arts Program; i.e. endowment, cash reserve, deficit reduction, etc.

Question: The evaluation of the Advancement program is to be completed this spring. Is it likely that this evaluation will result in a need for a different funding level in FY 1987? If so, will you please keep the Committee informed of the direction you think the program should take?

Answer: The FY 87 funding level for Advancement is based on current participating organization grants; it does not reflect any new grants. If the program is to be continued as a result of the evaluation, the August National Council on the Arts will make a recommendation on budgeting for the FY 88 cycle.

The result of the evaluation will be shared with members of the committee.

Challenge Grants

Question: The request for Challenge Grants is $18,000,000, a reduction of $2,457,000 from the presequestration level of 1986.

-- Can you please give examples of the alternative funding being explored as the agency looks at the long-term enhancement of the arts?

Answer: There are several options or alternative methods of funding being explored as the agency looks to the future of Challenge. These options are:

1. The Program could be "rolled over" again to allow the institutions with the most established records of artistic excellence with two Challenge Grants to re-apply for a third round.

2. The Program could continue under current Guidelines to receive applications and award grants to a larger universe of arts institutions.

3. The Challenge Program could evolve to support long-term change more broadly conceived than stabilization of arts institutions per se. The general theme of such a program would be long-term enhancement, to address the range of needs and opportunities that would enhance artistic excellence and/or achieve greater access to, and appreciation of, that excellence. This approach would be responsive to the most recent re-authorization process which stressed "An important direction to consider is programs aimed at affecting the long term enhancement of the arts, including developing quality institutions, an infrastructure for the arts, and cooperative arrangements." (House Report p. 10)

Examples of long-term change might include:
o Strengthened touring capacities
o New or strengthened series on the arts for public television
o Collaborative opportunities to enhance arts presence in rural areas
o Stimulation of State Arts Agency Challenge programs for arts institutions in a State (including institutions of state significance that have not to date been competitive in the Endowment's Challenge Program.)
o Major arts education projects
o Projects to encourage new creativity and broadened repertoire
o Stimulation of new facility purchase or renovation for consortia of smaller institutions.

Question: The justification uses the example of the Atlanta Arts Alliance in Atlanta, Georgia receiving a $400,000 challenge grant on behalf of the High Museum of Art. As of October, 1985, the High Museum has already exceeded the required match of $1.2 million with over $2.1 million collected.

--Is there any evidence that the Challenge grants, which certainly have proved successful, have dried up sources of funds for other arts organizations in the same area? For example, with the emphasis on the High Museum, have other organizations such as the Atlanta Symphony experienced fundraising problems? If so, how have you attempted to address a problem such as this?

Answer: Organizations applying for Challenge are fully aware of other campaigns in their region and also where the dollars are committed. Competition is stiff for the contributed dollars with or without the Challenge stimulus. However, inherent in the Challenge application is a feasibility study as well as a five year plan. The applicant organization must show a significant amount of strategic planning and targeting of funds in order to compete successfully for a Challenge Grant. The managerial assessment of each Challenge applicant also speaks to community support, board support and the feasibility of the campaign plan.

In the example of Atlanta, the High Museum campaign was drawing to a successful completion before the Atlanta Symphony's Challenge Grant and that of the Center for the Performing Arts were announced. The latter two have just begun their campaigns. Assuredly, they will approach some of the same corporations, foundations and individuals who supported the Museum's campaign, but all three institutions have supporters that are unique to them. Also, performing arts organizations have earned income revenues and subscribers whereas museums have membership fees - these may or may not draw on the same public. There has been no indication to the Challenge Grant office that the impetus of a Challenge Grant to the High Museum has depleted funding for other Atlanta Challenge grantees or other arts institutions in that region.

Multiple Challenge campaigns in a city or region will certainly affect any individual campaign; however, arts organizations are going to engage in competitive campaigns regardless of Challenge and often times Challenge campaigns, because the match must be new and/or increased funding, will identify and uncover support from untapped resources in a region and have a beneficial effect by acknowledging these new resources.

Policy, Planning and Research

Question: The request for policy, planning and research increases from $975,000 in FY 1986 ($933,000 after sequestration) to $1,000,000. Included in this request is $175,000 for arts management fellows.

--To what extent do these arts management fellows augment the NEA staff?

Answer: The Arts Management Fellows are not used primarily "to augment Endowment staff." The Fellowship is a grant program which provides arts managers with exposure to Endowment programs and processes. In order to gain this understanding, fellows are generally assigned to Endowment offices which reflect the fellows expertise or interests.. However, they also spend a large portion of their three month fellowship in seminars conducted by Endowment staff, other government agencies and major arts organizations.

Question: How much time does a fellow spend at the Endowment?

Answer: Fellowships encompass three months of time at the Endowment. Time is divided between projects designed to familiarize fellows with Endowment programs and procedures and seminars on a broad range of issues.

Question: Are you requesting any funds in FY 1987 for the studies requested in the 1985 amendments? Are you using any of your 1986 funds for this purpose?

Answer: None of the funds requested for FY 87 are earmarked specifically for the studies. The timing of the amendments precluded integration of the likely budget impacts of these studies in planning for use of FY 86 and FY 87 Office of Policy, Planning, and Research (OPPR) funds. Likely FY 87 in-house impacts will be absorbed in our proposed FY 87 administrative budget. At present, preliminary work is underway for the studies requested in the 1985 amendments. We are endeavoring to use our existing staff to the fullest extent possible and while we may find it necessary to use some of the funds allocated to OPPR for the studies requested in the 1985 amendments, the degree to which this may be necessary is not clear at the present time.

Administration

Question: The request for administration is $14,900,000, compared to the postsequestration amount of $13,890,000 in FY 1986.

--On what basis do you justify such a large increase in administration when you are proposing a diminished program level?

Answer: Our FY 87 administrative budget request was based upon projected needs in relation to the FY 85 base of $14,602,000 exclusive of the Office of Policy, Plannning and Research (OPPR); the increase over the FY 85 base is only 2%. Upon passage of the Endowment's FY 85 appropriation IPA's and Regional Representatives were transferred from the program accounts to the administrative accounts and since our FY 85 appropriation was not passed until after the start of the fiscal year, the full cost of the IPA's and Regional Representatives was not included in the administrative budget. FY 85 was a transition or phase-in year. The full cost of the IPA's and Regional Representatives is included in the administrative budget in FY 86 and FY 87. Additionally, we did not receive a pay supplemental in FY 85 and had to absorb the January 1, 1985 pay raise which was in effect for 3/4 of the year; the FY 86 appropriation (net of the 0.6% cut on the freeze level budget) did not provide for the full-year impact of the FY 85 pay increase.

The postsequestration administrative budget will force us to reduce FTE to levels below the planned one-time reduction in FY 86. We will have to reduce staff travel, panelist activity and delay full implementation of the ADP system. The FY 87 administrative request will enable us to restore these activities to a more reasonable level. Although our request for program funds is lower in FY 87 than the current level, we are projecting an increase in the total number of grant applications, and only anticipate a relatively small decrease in the number of grant awards. There will not be any reduction in actual workload in grant application and award processing. Therefore, we need to be able to restore our FTE and panel activities in FY 87.

Also in 1979, the House Interior Appropriations Subcommittee took the lead in adding dollars to the Endowment's budget to fund 25 additional positions for a personnel complement of 325 positions. Three positions were added to support an application load of approximately 24,000. In FY 87, we anticipate an application load of almost 19,000 and our FY 87 budget will meet this load with only 258 FTE. This is the same number of staff we had on board in 1975 when we had an application load of only 13,000.

In summary, we are meeting an increasing workload with a much reduced staff level. If we are not funded at our proposed FY 87 level for administration, it will jeopardize our ability to continue to adequately administer this program.

Question: What savings in personnel do you anticipate from your implementation of the automated data processing plan?

Answer: We do not anticipate that our ADP system will reduce our need for FTE. The Arts Endowment has already reduced its FTE from over 300 in FY 81 to a planned level of 258 in FY 87. However, the system will permit increases in productivity that will allow us to cope with continuing increases in application workload without the need for increases in FTE. The system will also permit us to manage the grants process in a more efficient manner, and provide for more systematic review and post award followup as emphasized in our reauthorization legislation.

Question: The justification indicates that in 1981 the FTE's of the NEA were over 300. In FY 1986 the FTE's will shrink to 253.

--Please provide the committee with the details on how this personnel reduction has been taken on a programmatic basis?

Answer: The following provides a breakdown of the FTE allocated for FY 86. We did not use an FTE system in FY 81 and have shown distribution of positions allocated to each division at year end. For FY 81 our equivalent FTE was 302. For FY 86 our FTE will be 253.

NATIONAL ENDOWMENT FOR THE ARTS
FTE ANALYSIS: FY 81 - FY 86

OFFICE	FY 81 POSITIONS	FY 86 FTE
Chairperson	13.1	7.5
Congressional Liaison	4.9	4.0
Council & Panel	4.7	6.0 a]
General Counsel	5.0	4.0
Office of Policy, Planning and Research	18.9	18.0
Communications b]	9.4	6.0
Deputy to Chairperson for Private Partnership	1.0	0.0
Challenge/Advancement	5.5	6.0
(SUB)	62.5	51.5
Deputy Chairperson for Programs	7.0	9.0
Dance	8.4	7.0
Design	14.5	10.0
Expansion Arts	13.3	8.0
Folk Arts	7.5	6.0
Inter-Arts	7.9	6.0
Literature	7.0	6.0
Media Arts	11.5	10.0
Museums	10.7	8.0
Music	15.2	12.0
Opera-Musical Theater	3.9	3.0
Theater	4.8	5.0
Visual Arts	15.0	11.0
(SUB)	126.7	101.0

OFFICE	FY 81 POSITIONS	FY 86 FTE
Deputy to Chairperson for Public Partnership c]	6.3	3.0
Artists in Education	5.9	5.0
Education	0.2	0.0
Local	0.0	4.0
State	6.3	4.0
(SUB)	18.7	16.0
Deputy Chairperson for Management d]	5.1	4.0
Admin Services	19.3	13.0
Audit	9.5	7.0
Civil Rights	4.0	3.0
Contracts	4.6	4.0
Finance	10.6	10.0
Grants & Information Management	39.8	31.0
Management Systems	0.4	3.0
Personnel e]	25.5	8.0
(SUB)	118.8	83.0
Federal Council	2.1	0.0
President's Committee for Arts & Humanities	0.9	1.5
(SUB)	3.0	1.5
TOTAL	329.7 f]	253.0

a] Includes National Council on the Arts.
b] Formerly the Office of Public Affairs.
c] Includes Partnership Coordination Program which has since been eliminated.
d] Formerly the Office of the Director of Administration.
e] Includes 14.6 Temporary Clericals in FY 81.
f] End of Year full-time equivalent was 302.

Question: Provide for the record a list of employees who received awards in FY 1985?

Answer:

NATIONAL ENDOWMENT FOR THE ARTS

Awards for Fiscal Year 1985

SPECIAL ACT OR SERVICE AWARD

- Olivia Baisden
- Janet Brenner
- Katherine Brown
- Mary Corbin
- Janet Edwards
- Jane Engelstad
- Janice Jackson
- Silvio Lim
- Mayme (Pat) McDonald
- Nona Milstead
- Candice Parrish

MERITORIOUS SERVICE AWARD

- Sharon Harrington
- Rosalind Walker

NON-PMRS PERFORMANCE AWARDS

- Mary Bahr
- Margaret Dougherty
- Elizabeth Foley
- Melinda Fox
- Maryann Gerard
- Janice Jackson
- Jack Lemmon
- Sylvia Martin
- Violet Mills
- Deborah Parker
- Kathryn Plowitz-Worden
- Patricia Sabo
- Henry Spiegler
- Janice Stunkard
- Geraldine Tate
- Edward Dickey
- Barbara Evans
- Andrea Fowler
- Arlene Franklin
- Mary Gilbertson
- Lilda Lando
- Ann Mark
- Nancy McCrea
- Alece Morgan
- Susan Peikert
- Larry Rickard
- Patsy Sanders
- Mary Stock
- Gail Syphax
- Laura Welsh

Quality Step Increases

- Marlene Burke
- Patricia Makell
- Loyale Newell
- Philomena Ojeda
- Barbara Tsumagari
- Clifford Whitham

PMRS PERFORMANCE AWARDS

Laurence Baden
Adele Chatfield-Taylor
Bess Hawes
William Hummel
Brian O'Doherty
Nancy Pressly
Nigel Redden
John Shaffer
Daniel Sheehy
Paula Terry
Thomas Bradshaw
John Clark
Harold Horowitz
Carole McNamee
Andrew Oliver
Cynthia Rand
Jeanne Rhinelander
Joan Shantz
Keith Stephens
Alexandra Young

DISTINGUISHED SERVICE AWARDS

Based on PMRS Performance

Anna Marie Barnes
Edward Birdwell
Marjory Hanson
Dodie Kazanjian
Florence Lowe
Wilbur Potter
Arthur Warren
Michael Weiser
Clayton Rheinhardt
Ana Steele

Others

John Ahr
Yvette Alexander-Banks
Peter (Jack) Basso
Kathleen Clark
Janet Edwards
Judy Landis
Susan Lively
Kate Moore

Our awards have increased in numbers somewhat since the Civil Service Retirement Spouse Equity Act of 1984, P.L. 98--165, was passed which requires that employees covered by the Performance Management and Recognition System (PMRS) who are rated two levels above "Fully Successful", be granted performance awards. It also requires that each agency spend at least .75% and no more that 1.5% of the payroll costs of covered employees on performance awards to PMRS employees.

Question: Provide for the record the travel costs for the President's Committee on the Arts and the Humanities for 1985, 1986 and 1987.

Answer: Actual travel costs reported under Object Class 2110 for FY 85 were $11,531; in addition, $3,643 of subsistence costs were included in the Contractual Services Object Class 2500 for the Committee's Special Advisor which brings the total to $15,174.

For FY 86 travel was originally budgeted at $15,297. As a result of the Gramm-Rudman sequester, the FY 86 travel allocation for the President's Committee will be reduced in accordance with the Arts Endowment travel reductions.

For FY 87 we are requesting $17,000 for the President's Committee staff/consultant travel. Committee members travel to Committee meetings without remuneration.

Question: Why do you expect National Council travel to increase from $28,000 in 1985 to $39,000 in 1986 and 1987?

Answer: In September 1984 the terms of ten National Council members expired. There was a delay in the process and for three meetings we operated with less than a full complement of members. For FY 86 and FY 87 we anticipate operating at a full complement of National Council members and will require the full amount of the travel request.

Question: Standard Level User Charges (rent payments) decreases by $470,000 for NEA.
-- Why do your SLUC charges go down?

Answer: The General Services Administration (GSA) establishes the SLUC rate for all agencies based upon location and the type of square footage occupied. For FY 87 the GSA rate per square foot was lowered and therefore, for the same square footage we will pay a lower fee.

Question: Since your administrative expenses request increases, how are you applying the savings in SLUC charges?

Answer: The savings in SLUC payments will be applied primarily to our personnel and panelist accounts. If we examine the operating portion of our FY 87 administrative budget request in real dollars (indexed to 1972), we find that it decreased 18% from the FY 80 level. Our rental (SLUC) payments have increased from 5.3% of total budget in FY 80 to 10.3% of total budget in FY 87; in real dollars, rental payments are up 61.8% in FY 87 vs FY 80. Personnel compensation constitutes two thirds of the total operating budget in FY 80 and in FY 87, not withstanding our 20.6% cut in FTE. In real dollars, our FY 87 personnel compensation request is 17.4% lower than the FY 80 level. We have absorbed several pay increases, the most recent in FY 85, while individual salaries have increased 31.7% from FY 80 through FY 86 due to successive pay raises. A significant portion of the SLUC savings will be applied to our personnel accounts.

Additionally, we will restore panelist activities to a more reasonable level than projected for FY 86 under the sequestration. With increased application loads and only minimal reductions in the number of grants awarded, we will have to increase our panelist activities to provide for comprehensive review of each application to continue to ensure the integrity of the panel process.

As a final point, we will have to continue our ADP enhancement program and to replace worn-out equipment. We have not replaced the majority of our capital equipment in several years and in FY 87 will be faced with the situation where maintenance fees are no longer cost effective.

Question: What accounts for the almost 50 percent increase in equipment rental? Provide details of your equipment purchases for the record.

Answer: The increase in equipment rental costs is associated with the installation of additional automatic data-processing (ADP) equipment, including video display units, letter-quality printers, devices for storage of data and enhancements to the Wang central processing unit. Since FY 85, when the option was first available to Federal agencies, the Endowment has used the Federal Lease to Owner Purchase (FLTOP) method of financing nearly all additional ADP equipment. The costs of purchasing new ADP equipment are thus spread over a three-year (if first delivered in FY 85) or four-year (if first delivered in FY 86) period, and reflect GSA schedule contract prices re-negotiated annually. At the end of the lease period, full title to the equipment passes to the government. As equipment is added under this option, subsequent fiscal year estimates reflect anticipated costs for equipment installed in previous fiscal years and new equipment proposed for delivery and installation during the budget year. Beginning in FY 88, ADP equipment rental costs will decrease, as equipment ordered and delivered under FY 85 and FY 86 FLTOP options are fully paid.

FY's 85 and 86 represented a period of major expansion of the Endowment's ADP capabilities. In late FY 85 and early FY 86, for example, additional video display units were installed to allow each Endowment program access to the new grants management system (GMS) and to permit the agency to convert completely to the Wang system from outmoded equipment obtained from another vendor.

By the end of FY 86, the Endowment's Wang computer system will be configured as follows:

> One Wang Model VS-100 central processing unit with 4.2 megabytes of main memory plus communications capabilities;
>
> One tape drive; one high-speed band printer; seven 288 megabyte removable-disk drives; one 75 megabyte removable-disk drive; and one 90 megabyte fixed/removable-disk drive;

Seventy-four video display units; fifteen professional computer/video display units; and twenty-one letter-quality printers.

In FY 87, we expect to add:

Additional main memory and minor options to the central processor; four 288 megabyte removable-disk drives; and up to ten video display units.

Question: Provide for the record the breakdown of printing and reproduction costs for FY 1985, 1986 and 1987?

Answer: The breakdown for printing and reproduction costs in FY 1985, 1986 and 1987 is as follows:

Printing Categories	FY 1985 Actual	FY 1986 Est.	FY 1987 Est.
Guidelines	$85,068	$108,900	$106,100
Arts Review	24,428	27,000	29,900
Flyers & Misc.	14,803	22,000	25,800
Annual Report	20,739	21,000	23,400
Non-Program	28,665	32,000	35,900
Federal Register	15,990	17,100	18,250
Council Books	14,917	20,000	21,650
Guide to the Endowment	10,000	0*	12,000
Total	$214,610	$248,000	$273,000

* The Guide to the Endowment will not be printed in FY 86.

Question: You are requesting $610,000 for panelist contracts.
--How many panelists does the request support?

Answer: Our request of $610,000 for panelist contracts in FY 87 will support 2,486 panelist days. (The number of panelist days is determined by multiplying the number of panelists by the number of days in meetings.)

Question: Do you plan to increase panel size in 1986 and 1987?

Answer: There will be a decrease in panelist days in FY 86 and an increase in FY 87. The increases and decreases are reflected in a combination of panel numbers and days of meetings aggregated in "panelist days." Many of our panels are now operating under severe adverse conditions (12 hour days, etc.).

In FY 85 we operated at a level of 2,370 panelist days in reviewing 18,178 applications. In FY 86 we have planned for 2,184 panelist days (presequestration) 2,101 panelist days (post sequestration) to review 18,409 applications. In FY 87 we are requesting funding for 2,486 panelist days to review an estimated 18,982 applications. To meet the reductions required by the sequestration in FY 86 we have reduced the size and/or duration of several panels and have deferred some panels until FY 87. We feel that our FY 87 request is essential to restore panelist activity to a more reasonable level and maintain the integrity of our panel system.

Question: What contracts for consultants and support staff do you provide for the President's Committee on the Arts and the Humanities?

Answer:

	FY 1985	FY 1986	FY 1987
Special Advisor	$46,203	$ 0	$ 0
Clerical	44,392	45,192	45,192
P.T.P. Staff	5,519	21,368	21,368
Consultants	0	31,736	31,756
Totals	$96,114	$98,296	$98,316

Subsequent to the departure of the Special Advisor a vacancy was created in FY 85, and two Part-Time-Permanent (PTP) positions were added to the staff. Compensation for one of the PTPs was included under the Contracts Object Class. Compensation for the other PTP was included under the Committee's personnel compensation. These employees will play a greater role in FY 86 and FY 87 with corresponding cost increases as shown.

The request for consultant services in FY 86 and FY 87 reflects the anticipated addition of consultants to assist the Committee in developing projects designed to stimulate private sector support for the arts and humanities.

Question: Why do you need an increase of five percent for the Regional Representatives? Can you provide the Committee with some measures of their workload such as letters and phone calls answered?

Answer: This modest increase in the Regional Representative Program costs is necessary to keep pace with increases anticipated in space rental, telephone charges and travel costs, and to provide for minimal increases in clerical support.

In general, the number of letters handled by Regional Representatives ranges from 35 to 50 per month. Phone inquiries and information exchange are estimated to range from 150 to 245 calls per month. Their workload measures include the time required to read approximately 110 newsletters and some 80 newspapers per month for a particular region combined with over a hundred invitations and announcements to be evaluated. In addition to this component of work, Regional Representatives travel extensively throughout their regions (approximately 1/3 to 1/2 of total work days). Preparation for this travel, which includes extensive research, review of the issues at various localities and contacts with Endowment staff, requires considerable time and effort. After completion of the travel, they must analyze the information collected and provide analytical reports on the results of these and other meetings.

Question: To whom do they report in the Endowment? (They do not appear on the NEA organizational chart.)

Answer: The Regional Representatives report directly to the Chairperson. The Program is coordinated by the Special Assistant to the Chairperson and reports are required to be submitted to the Chairperson's office by the 10th day of each month. Regional Representatives do not appear on any Endowment organizational chart since they are not employees of the Endowment.

Question: The National Endowment for the Humanities gets by without Regional Representatives. Why do you believe them to be worthy of continuation when we have to worry about every Federal dollar?

Answer: Our experience with the Regional Representative Program shows that it serves as an effective way of exchanging information with the field. If the program were to be eliminated we believe that substantial increases in travel for Endowment staff and the development of more extensive printed informational materials would be required. Thus, costs in both these areas would likely increase significantly, as would Endowment staff workload.

The Regional Representatives provide a special expertise in their regions on Endowment matters and can reflect the interests of the arts community within their regions back to the Endowment. They also provide the Endowment with up-to-date information on matters that affect the arts.

The Humanities Endowment reaches most of its organizations and institutions through publications, meetings, and presentations at meetings; the Humanities Endowment has never had the need to have a Regional Representative program. Although the Humanities Endowment has a few fellowship programs, its small applicant pool of individual grantees are frequently affiliated with colleges and universities. In contrast, the Arts Endowment has a great number of individual applicants who are assisted by the Regional Representatives and directed to the appropriate discipline program. The Arts Endowment has a small Office of Communications which does not distribute large amounts of printed material, as does its counterpart at the Humanities Endowment. Our applicants range from presenting organizations in major metropolitan areas to folk artists and visual artists in diverse parts of rural America.

President's Committee on the Arts and Humanities

Question: Travel for the President's Committee is expected to increase by almost 50 percent from 1985 to 1986. (p. 132)
—Is all of this attributed to increased travel costs or does it reflect an increased programmatic involvement?

Answer: The President's Committee travel in FY 85 was $11,531 plus $3,643 of subsistence included in the Special Advisor's contract (total travel $15,174). With the departure of the Special Advisor from the Committee, their travel costs were lower than expected. For FY 86 additional travel costs will be incurred by the part-time Arts Endowment and Humanities Endowment staffers as well as consultants. For FY 87 a comparable level of travel is anticipated. These levels are consistant with the FY 85 levels and do not necessarily represent an increased level of program involvement per se.

Question: Phone costs are budgeted at $6,000. For how many people does this provide phone service?

Answer: Telephone service is provided for five people located in two offices (New York and Washington). In the Washington office costs are assessed by the Arts Endowment on a pro rata basis for local and long distance service. Long distance costs are paid for the New York office on a reimbursement basis.

Question: Where is the President's Committee located?

Answer: The President's Committee maintains offices in Washington and New York. The Washington office is located in the Nancy Hanks Center. The New York office space is donated by a major corporation. The corporation also provides in-kind contributions of equipment and assistance, and ancillary stenographic equipment and furnishings.

Question: How many square feet of office space does $18,000 provide? Where is this space located?

Answer: The President's Committee occupies 1,113 square feet of office space in the Nancy Hanks Center.

QUESTIONS FOR THE RECORD SUBMITTED BY CONGRESSMAN REGULA

ARTS IN EDUCATION

Question: I notice in your budget (pg. 97) in the arts in education program in FY 87 there is intended to be a transition from a program oriented primarily to artists in residencies to a program oriented to arts education more generally. This sounds like a good change. Is this in response to information you learned from the survey? Could you describe this new direction in more detail?

Answer: The proposed changes to an Arts in Education program are the result of countless conversations on the subject through regional meetings; visits with state art and education authorities; dialogue with arts educators; communication with the U.S. Department of Education, National Assembly of State Arts Agencies, National Assembly of Local Arts Agencies, Council of Chief State School Officers, and others; and the interest of the National Council on the Arts and Endowment staff.

Simply put, the goal of the new program is to help make progress toward establishing the arts as a part of basic education. In order to do this, state arts agencies will be encouraged to work with state education agencies and others to assess the status of arts education, to determine needs, and to develop programs to address those needs--all directed toward the goal. While techniques, progress, and results will vary from state to state, the goal is agreed upon by the vast majority of state arts agencies.

In fact, in speaking with Secretary Bennett about the need for the arts in our schools, he pointed out, "When I am on the road talking with people about what they want their children to learn in school the first set of subjects mentioned are English, math, science and history; the second set of subjects mentioned are art, music, geography and a foreign language. In short, two of the eight subjects most mentioned are related to the arts."

Question: Playing devil's advocate for a moment, I read in your budget (pg. 97) and I quote: "The Endowment's concern in this area is that 61 percent of the adult population did not attend in 1982 even once any live performance of jazz or classical music, theater, opera or musical theater, or ballet, nor did they visit an art gallery or museum." Do you attribute this to a lack of education or possibly informed disinterest? When can the Endowment feel it has done enough? After all you can lead the horse to water, but you can't make him drink. Has the Endowment led the horse to water? Are we now embarking upon trying to make him drink?

Answer: There appears to be a correlation between a person's education in the arts and that person's voluntary participation in the arts. Elliott Eisner, Professor of Education in Art at Stanford University makes the case for art in the schools:

> "First, that arts represent the highest of human achievements to which students should have access. Second, that the school is the primary public institution that can make such access possible for the vast majority of students in our nation. Third, that work in the arts develops unique and important mental skills."

GENERAL

Question: Your budget (pg. 2) notes that in 1984, revenue of not-for-profit performing arts events increased 9.4 percent; during 1985 the number of artists employed grew 4.4 percent vs. 1984, more than double the rate of growth of general civilian employment. These are impressive statistics. To what do you attribute them?

Answer: The data on revenues were developed by the Bureau of Economic Analysis, Department of Commerce. Further discussion is included in Research Division Note #13, "The Arts in the GNP III" (November 6, 1985) and data on artist employment from the Bureau of Labor Statistics, Department of Labor, released in January 1986, is discussed in Research Division Note #15, "Artist Employment in 1985" (March 10, 1986).

These data show continuation of the long-term trends that have been charted by the Endowment's Research Division since 1970. We attribute these trends to the combined effects of many factors. One of these is the growing education level of the American adult population, since our research and that of other scholars confirm that education level is the best of all predictors of arts participation. A second important factor is the growth of numbers of the American adult population as the result of the maturing baby-boom period children. These effects should continue to have impacts on artist employment and arts participation for a long time to come.

Question: Your budget (pg. 7) mentions a new activity in the media arts, cassette distribution which would make available previously-funded television arts programs for education purposes. Is this intended for schools and teachers?

Answer: Yes. The Endowment will work with teachers to design packages of existing arts materials for use in the classroom. An important component of this project will be the development of teachers' guides for using the cassettes.

Question: Your budget (pg. 102) points out the need to develop new local arts agencies in areas where none exist. Could you provide a listing of areas where none exist or which you identify as underserved?

Answer: At the present time the largest concentration of local arts agencies is in the Southeast and Midwest with the smallest concentrations being in the West (excluding California), the Mid-Atlantic states (excluding New York) and the New England states.

LOCALS TEST PROGRAM

Question: The Locals Test Program has been in existence for three years. According to your budget (pg.103) it is expected that after the grant period state and local support will enable these projects to continue without further federal aid. Since we are in the third year of the program are you finding that it is having that effect? Are state and local groups weaning themselves from federal support and operating projects on their own?

Answer: While our grantees have not yet completed the three-year project period, they have indicated to us that they expect their local governments will continue funding when the federal grant is ended. We also have clear evidence that many communities have already provided public funds over and above the required match before the end of the three-year project period.

ADVANCEMENT

Question: I was interested in the example you gave of an Advancement grant in your budget (pg. 111). The Chairman will be interested in what we are doing in Canton. I was curious if the next step for the Canton Symphony or others in the Advancement program is a Challenge Grant. How is Canton doing in raising the required 3-to-1 match?

Answer: The Canton Symphony received a $75,000 Advancement Grant after successfully completing the preparatory stage of the Program. This grant must be matched on a 3-to-1 basis, i.e. with at least $225,000. This must be achieved by December 31, 1987. The Canton Symphony has already raised more than one-half of the required match, and appears well on its way to successful completion of the grant.

Advancement was not created as a prelude to Challenge and it has not been the intention of the program to groom organizations for Challenge, but rather to assist smaller arts organizations of the highest artistic quality to achieve improved new levels of financial and managerial stability. There are, however, several organizations in the more institutionalized fields (such as music, museums and opera) that upon completing the technical assistance aspect of the program and the required fundraising, have or will find themselves ready to apply to Challenge. It remains to be seen how competitive these organizations will be as the Advancement participants from Round I are just beginning to compete in the Challenge Program. Of the 100 participants in Advancement, six have applied to Challenge this fiscal year.

CHALLENGE

Question: Your budget (pg. 114) says the Challenge Grant Program is beginning to explore alternative funding methods for the continued long-term enhancement of the arts. Could you elaborate on this?

Answer: The agency is taking a look at the future of Challenge and trying to determine if it is prudent to "roll it over" to allow grantees a third Challenge grant or to let the current process continue for an indefinite period of time or to create a new program that responds to potentially a greater pool of applicants and needs. As we approach decisions regarding the future of the Challenge Program, we need also to look beyond the traditional uses of Challenge monies. The Challenge Program has so far been devoted to long-term institutional enhancement; it has not addressed other long-term needs in the arts. For example, it has not addressed the long-term need to broaden audiences for the non-profit arts (other than to the extent that institutional enhancement assists an institution to continue to perform and/or exhibit for audiences); it has also not addressed the long-term needs of the less institutionalized fields. Broadly speaking, it is appropriate for the Endowment to assist the meeting of long-term, as well as short-term, needs; short term needs are addressed generally through the Endowment's programs (other than Challenge and Advancement).

POLICY PLANNING AND RESEARCH

Question: According to your budget (pp.118) the International Office furthers arts exchanges through fellowships awarded under the U.S./Japan and U.S./France Exchange programs. Could you elaborate on the nature of that participation?

Answer: Under an agreement signed in 1977 between the cultural agencies of Japan and the United States, five fellowships for work and study in Japan are awarded each fiscal year to mid-career American artists. The program is co-funded by the Japan-United States Friendship Commission which matches our annual grant of $75,000.

The purpose of the grant is to enable American artists to observe Japanese traditional and contemporary artistic developments in their fields of interest. Candidates for the American program must be citizens or permanent residents of the United States and should show a clear potential to become prominent members of their professions. The same number of Japanese artists, funded by the Agency for Cultural Affairs in Japan, are awarded fellowships in Japan to work in this country.

Under an agreement signed in November 1984 between the government of France, the United States Information Agency and the Arts Endowment, up to ten American artists will be able to spend their fellowship money working in France for periods of three months to a year. Funding for these artists comes from existing Endowment program funds allocated to artists fellowships. The agreement provides for the same number of French artists to work in the United States. Fellowships for French artists are funded and administered by the French Ministry of External Relations in cooperation with the Ministry of Culture.

In FY 85, a grant of $15,000 was awarded to the French-American Foundation in New York City to assist French artists in finding studio spaces, living quarters, professional contacts, etc. In France, the Association Dialogue Entre Les Cultures will assist American artists in a similar way.

Question: Do your arts management fellows, if they are currently working as arts administrators, continue to receive their salary as well as the stipend the NEA provides?

Answer: Whether or not fellows continue to receive compensation from their parent organization varies widely. In fact, it appears that the majority of the persons who are accepted into this program do not receive other compensation. Also the small stipend provided by the Endowment basically covers living costs in Washington, D.C. during the course of the fellowship.

Question: I notice that according to your budget, one of your special projects (pg. 121) the U.S. Travel and Tourism Administration of the Department of Commerce is distributing abroad a publication funded with an NEA grant on art in San Francisco to help promote tourism. Have you had any feedback from the Tourism Administration as to whether this is working? Did they provide any funding for this project?

Answer: The commitment of the U.S. Travel and Tourism Administration, USTTA, for this project was that of distribution of the publication to each of their overseas offices. Although any real measurement of effectiveness in promoting tourism is premature, the USTTA reported that the demand far exceeded the supply. For example, the Paris office requested over 100 times the amount that could actually be provided. The publications were distributed by USTTA to their offices in Australia, Japan, Mexico, Canada, France, United Kingdom, Belgium, Italy, Germany, and the Netherlands. The USTTA did not provide any financial support for the project other than overseas distribution.

Question: Your budget includes a very detailed justification for your Administration budget which is up over FY 86 and FY 85. You point out that the 6/10 of 1 percent cut did not fully make provision for the addition of Intergovernmental Employees Act (IPA) employees ($263,000) which had previously been funded from the program account, nor did it provide for the full impact in FY 86 of the FY 85 pay raise ($93,000). Adding these back, your FY 87 request is still over last year's comparable levels by about $650,000. And both FY 85 and FY 86 were years in which your program was higher than your proposed FY 87 program. In other words as a percentage of your total program Administration is going from 8.98 percent in FY 85 (with IPA and pay added back) to 10.2 percent in FY 87. How do you justify that?

Answer: Our FY 87 administrative budget request of $14,900,000 represents only a 2 percent increase over the FY 85 level. In real dollars (indexed to 1972) however, the FY 87 budget represents a 4.6 percent reduction from the FY 85 budget. Our FY 86 postsequestration budget is 5.6 percent lower than the FY 85 level. If we examine the operating portions of the Endowment's administrative budgets since FY 80, we will find that in real dollars our FY 87 operating budget request has decreased by 18.1 percent. Personnel compensation has remained at approximately 66 percent of total and rent payment (SLUC) has increased from 5.3 percent in FY 80 to 10.6 percent of total in FY 87. Individual salaries have increased 33.9 percent since FY 80 due to successive pay raises; our personnel compensation, stated in current dollars, has increased by $1,218,000 while our FTE has decreased from an end of year employment level of 302 in FY 81 to a requested FTE of 258 in FY 87.

Upon passage of the Endowment's FY 85 appropriation, the Intergovernmental Personnel Act (IPA's), Regional Representatives and Office of Policy, Planning and Research were transferred to our administrative accounts from the program accounts. Since our appropriation was not approved until after the start of the fiscal year, FY 85 was a transition year for these activities with part of their cost being borne in the program accounts. In FY 86 we will experience additional costs of $263,000 for IPA's vs. the FY 85 base, and additional costs of $11,000 for Regional Representatives vs the FY 85 base. In FY 87 the cost for IPA's will be $338,000 over the FY 85 base and Regional Representatives will be $41,000 over the FY 85 base. Additionally, the full cost of the FY 85 pay raise ($93,000) will be absorbed in the FY 86 base. The presequestration FY 86 base supports an FTE of only 253. The postsequestration FY 86 base will only support 243 FTE. The majority of the increase requested in our FY 87 base will be applied to the personnel accounts to restore our FTE to the authorized level of 258.

It will be necessary to increase funding for panelist contracts to restore the number of panelist days to a more reasonable level. To meet the reductions required by the sequestration in FY 86 we have reduced the number of panelists and duration of meetings to a critically low level; additionally, we have deferred some panels into FY 87. Consequently, we feel that we must restore the panelist contracts base in FY 87 to a more reasonable level.

As a result of the FY 86 sequestration we curtailed staff travel by reducing funding by 40 percent. With new program directions being planned in the Advancement, Challenge and other program areas, we feel that it will be important for program directors to get back into the field.

Finally, as a result of the FY 86 sequestration we had to defer the acquistion of ADP equipment in our ADP upgrade. This upgrade is especially important in light of the decrease in our FTE from prior years; one needs to bear in mind that applications are continuing to increase. We have not been able to replace worn-out equipment for several years and have reached a point where maintenance costs are no longer cost effective. Accordingly, we have requested the addition of funding for capital equipment replacement.

We feel that our FY 87 administrative budget request which has been approved by OMB, is reasonable and essential to allow the Endowment to continue to serve our constituents while assuring the integrity of our grant management process. As indicated, the number of grant applications we receive is on the increase and while we may make slightly fewer grant awards, the workload involved in the grants review and management process will not decrease. Additionally, we will have to meet several new requirements mandated by the amendments to our 1985 enabling legislation.

Question: Your administration budget points out several new requirements as a result of last year's reauthorization. Could you provide for the record a detailed estimate of the needed FTEs and dollars to carry out each task?

Answer: The various new responsibilities reflected in the 1985 reauthorization will require, based on very preliminary estimates, a minimum of 5 FTE in staff time. Our FY 87 budget, of course, was developed before the amendments were enacted, although we were cognizant of the potential for new requirements developing primarily on the House side. We are now developing plans to implement the law within the constraints of our proposed FY 87 administrative budget. We will be carefully scrutinizing the requirements of those studies in conjunction with the FY 88 budget and if necessary, make additional requests for funding.

Question: Your FY 87 budget proposes a "modest increase" of 9.8 percent over FY 85 for staff travel. In these times of budget constraint a 9.8 percent increase does not sound modest to me. How can you justify this increase?

Answer: In real dollar terms (indexed to 1972) the FY 87 travel request is actually 7.7% lower than FY 82 travel expenditures. In FY 87 there will also be a substantially greater need for staff travel than in a number of prior years, since several programs are undergoing review or development of grant categories (e.g., Advancement, the Community Foundation Initiative in Expansion Arts, Programming in the Arts in Media Arts, Regional Fellowships in Visual Arts, and New American Works in Opera-Musical Theater), while other programs (the Locals Test Program, Artists in Education, the Challenge Program) are being reviewed and evaluated in depth during this year. These activities will necessitate additional travel to meetings and planning sessions with individuals in the field.

In addition, since travel was severely constrained in FY 86, there is a particular need for program directors and other staff to renew contact with individuals in the field, including potential panelists, and to observe current events and trends. This need is particularly acute in the Middle West, South and Rocky Mountain areas where air fares tend to be higher than to and from the East and West Coasts.

Also, since submitting our budget, we have been advised by the General Services Administration that new per diem rates will become effective July 1, 1986. GSA estimates that these new rates will cause an increase of approximately 15% in travel costs.

Question: You are requesting $20,000 (pg. 126) for transportation of things which you identify as used primarily for express delivery of time-sensitive materials. That sounds like a lot of money for express mail. Could you elaborate on this? Are there efforts to cut back in this area?

Answer: Approximately $5,000 of the $20,000 request represents the costs of moving office equipment and furniture; and shipping small parcels. The remaining $15,000 is used for various forms of rapid delivery service. For example, express mail is used by the Endowment to expedite the shipment of approximately 4,000 annual copies of "panel books" and "Council books". Panel books are prepared before each meeting of an Arts Endowment application-review panel, and contain copies of all application material as well as other information such as site-visit evaluations. Council books are similar, containing information about panel-recommended applications, financial information, guideline-review information, and special reports and studies.

This material is dispatched by express mail because panel and Council members, who are located throughout the nation, must be afforded as much time as possible to review the material prior to convening in Washington. In one sense, the use of express mail is cost-effective -- especially for panel material. Because panel members are given as much time as possible to review large volumes of application information, the meetings themselves can be conducted efficiently and in a minimum amount of time.

The Endowment has taken positive steps to control these costs. For example, the use of a GSA-schedule contractor is mandatory except in the most unusual of circumstances; and written approval of Program Directors is required before express mail services are furnished.

Question: What areas of the country do you consider have been previously under-represented that you are now trying to incorporate into your panels?

Answer: Endowment panels include substantial representation from every region of the country. In FY 85, this broad representation included 43 states, the District of Columbia and Puerto Rico. During the past four years, we have been successful in our efforts to increase the number of panelists from the Southeast, Midwest and Western regions, while reducing the number from New York. In FY 85, the percentage of panelists from each state corresponded quite closely to the number of applications from that state. Even for those states with the largest deviation between applications and panelists, the differences were relatively minor.

Using the ratio of panelists to applications as one measure the most over-represented states on Endowment panels for 1985 would be California (16.3% of panelists and 14.1% of applications); Georgia (2.6% of panelists and 1.1% of applications); Illinois (4.9% of panelists and 3.8% of applications); and Ohio (3.8% of panelists and 2.4% of applications). The most under-represented states by this measure would be New Jersey (1% of panelists and 2.1% of applications); New York (23.4% of panelists and 27.6% of applications); and Massachusetts (4.1% of panelists and 6.0% of applications).

Again, even these maximum deviations in both directions are far from extreme. And, of course, this particular comparison is not necessarily the only relevant one. The Endowment is continuing its efforts through all programs to help increase the quality and reach of artistic activity in areas which have been historically least involved. As this effort progresses in the years ahead, we would expect that the level of both applications and panelists from these areas will increase.

Question: Could you describe the need for the President's Committee on the Arts and the Humanities? Given the tight budgets would it be better to use the $228,000 budgeted for this activity for other NEA costs? What is the difference between this group and the National Council on the Arts?

Answer: The President's Committee on the Arts and the Humanities was created by Executive Order to assist in efforts to increase private support for the arts and the humanities. The work of this Committee provides an important complement to the central mission of both the Arts Endowment and the Humanities Endowment, those independent grant-making agencies of the federal government established "...to promote progress and scholarship in the humanities and the arts in the United States." Since the President's Committee's creation in 1982, it has proven to be an effective catalyst in the private sector -- helping to identify monies to be generated by the private sector for work in specific model programs designed to enhance the cultural life of the country. In addition, the President's Committee has provided an invaluable service to the cultural community by serving as a liaison with the Treasury Department concerning the proposed tax changes affecting those arts and humanities institutions and organizations served by the President's Committee.

The administrative costs of the President's Committee are shared equally by the two Endowments, so that the Arts Endowment's financial commitment for FY 87 would be $114,000. In light of the complementary services provided by the Committee, the two Endowments contributions are believed to be a good investment.

The President's Committee is composed of the Chairperson of the Arts Endowment, the Chairperson of the Humanities Endowment, heads of a number of other federal agencies, and up to twenty persons selected by the President who have an interest in and commitment to the arts and humanities. In addition, the Majority Leader of the Senate and the Speaker of the House are each invited to designate a member of the Committee for appointment by the President. Each member of the Committee serves without remuneration and contributes all travel and travel-related expenses. These operational contributions, including donated office space, when combined with project support donations more than exceed the total federally appropriated budget of the Committee.

The President's Committee meets regularly to consider ways to increase private support for the arts and the humanities. Out of these meetings evolve a number of recommendations which typically lead to the creation of pilot projects addressing specific needs. These pilot projects are intended to serve as models for similar undertakings in other localities across the country.

The projects which are currently underway fall into four categories: philanthropy; improving teaching skills; conservation and preservation; and visibility, affirmation, and access.

The National Council on the Arts, of course, is the principal advisory body for the National Endowment for the Arts, and is composed of prominent private citizens with established records of service or achievement in the arts. The Council role is to advise on Endowment programs, policies and procedures, and to review applications for financial assistance. It therefore is heavily involved in the operations of the Endowment while the President's Committee is not.

Question: Under the Chairman's grants I notice that both Idaho and the Texas Commission on the Arts received Chairman's grants. Were these in addition to their State Programs grants? Why were they singled out for extra funding?

Answer: The Chairperson's actions referred to were in addition to these agencies' annual Basic State Grants. The grants were awarded in response to proposals which offered opportunities to address federal as well as state priorities in timely ways. The grant to the Idaho Commission on the Arts enabled the Endowment to test the potential for using federal funds to leverage state support for arts programs in rural areas. The grant to the Texas Commission on the Arts supported a national conference on minority concerns in the arts.

Question: The FY 86 House report on the Interior Appropriations bill required a report from NEA concerning the geographical breakdown of funds to the States. This report was to focus on ways the Endowments can broaden their impact by encouraging more participation from areas which have not traditionally been the centers of art and culture. While we did not stipulate a deadline, I believe it was the Subcommittee's intent to draw on this report in formulating the FY 87 budget. When do you anticipate submitting this report?

Answer: We provided information on state-by-state distribution of our FY 84 grants and applications on June 27, 1985; and on March 3, 1986, sent information on FY 85 state-by-state applications and grants, as well as funds awarded. We are currently examining FY 85 grants data (recently updated to reflect the year's activity), and will submit by May 1 a written report on the geographic impact of those grants, and program strategies to enhance distribution and encourage participation from areas that have not traditionally been centers for art and culture.

PROGRAMS

Question: Reading about your Design Arts Program I was struck by how this appeared to be an area that is more appropriately pursued by the private sector. It would appear that architects, advertisers, etc. have an economic interest in improving design quality and this may be an area where NEA funding is not needed or appropriate. Could you respond?

Answer: The Endowment concentrates its support in areas not adequately supported by the private sector including civic design, design for the other arts disciplines, and advances in the state of design arts. Its support is important in fostering excellence over the long term as well as directly helping individuals and nonprofit organizations to explore and achieve higher levels of quality.

The original legislation creating the National Endowment for the Arts provided for the support of many art forms and specifically mentioned "Architecture and allied fields...graphic arts...industrial design...costume and fashion design... and the study and application of the arts to the human environment." Design is the most pervasive art form, one that people encounter daily and one that affects the quality of where they live and work, the products they use, and the cultural image they present. The Program, therefore, has sought to nurture excellence in the field and to raise public awareness and support for design quality. In addition, the Endowment's support of design has served the other arts by affecting the quality of the buildings that house them.

It should also be noted that the Endowment does not support advertisers.

Question: Reading about your Museum Program I am struck by the fact that federal support for museums is scattered in NEA, NEH, and IMS. While duplication is one danger, it also is difficult for potential applicants to know where to seek funding. Would you comment on the issue of consolidating museum programs?

Answer: The following information was prepared by the National Endowment for the Arts in close consultation with the National Endowment for the Humanities and the Institute for Museum Services. It explains the programs, missions and relative roles of the three agencies.

The nation's museums exhibit, document, interpret, preserve and conserve an immense variety of objects and artifacts that are central to a variety of disciplines in art, history, science, social studies, education, natural history and other fields. No single agency can incorporate the appropriate expertise and understanding of this range of intellectual inquiry without endangering its capacity to make discriminating judgments as to the use of Federal funds. As this report will explain and document, the interests and points of view of individuals engaged in the different disciplines are different. Science is unto the scientist; history unto the historian; art unto the artist and critic.

Neither the Humanities nor the Arts Endowments are concerned with museums simply as institutions -- they are concerned with the ideas that the institutions are a vehicle for promulgating. In the arts the ideas are about the presentation of art; in the humanities the ideas are about inquiry, documentation and understanding. When a peer panel reviews applications they are reviewing the ideas behind those applications -- for example, the ability of the curator to execute a vision, whether in an exhibition or a catalogue, or the ability of the project to communicate an idea to the public. Arts Endowment support for museums is only one part of a spectrum of support for preservation, conservation, exhibition, documentation and interpretation of art. We also support visual artists organizations, media arts centers, conservation centers, art in public places, and other institutions.

There follows more detailed summary and rationale for maintaining the status quo set forth below as part of a discussion of the activities and programs of the three agencies.

National Endowment for the Arts: Museum Program

The Arts Endowment has a dual mission: to foster the excellence, diversity, and vitality of the arts in the United States; and to help broaden the availability and appreciation of such excellence, diversity and vitality. The Museum Program in accordance with this stated mission, fosters the exhibition, documentation, preservation, conservation and interpretation of works of art of the highest quality, while assisting in making them available to audiences at a broad spectrum of museums throughout the country.

Ever since its founding in 1965, the National Endowment for the Arts has supported museum activities, first through the Visual Arts Program and, since 1971, through the Museum Program. Today the Visual Arts Program assists the creative effort of living American artists, while the Museum Program supports arts organizations concerned with works of art not only by living American artists but from all historical periods. The Arts Endowment's Museum Program deals with museum activities that primarily include painting, sculpture, works on paper, decorative and folk art, photography, crafts, architectural design, and such new and experimental art forms as performance art and video. Its primary concern is the aesthetic quality of the art.

The Arts Endowment's Museum Program supports art museums with permanent collections as well as museums and spaces that serve as presenting institutions for works of art. On occasion, it also awards grants to other institutions such as natural history museums for projects involving the exhibition of artistically significant works.

In the Endowments' enabling legislation, the definition of the term "the arts," in addition to naming specifically items such as painting, sculpture, photography, craft arts, etcetera, also specifies "the arts related to the presentation ... and exhibition of such major art forms ..." (emphasis added). Additionally, in defining the term "production" (which only the Arts Endowment is directed to support), the enabling legislation specifically mentions "exhibitions." (emphasis added)

Further, the section of the enabling legislation setting forth the National Council on the Arts specifies that its members "shall be selected ... so as to include ... members of the museum profession..." (emphasis added).

The National Endowment for the Humanities and the Institute of Museum Services

The National Endowment for the Humanities and the Institute of Museum Services also provide funds for museums. [In addition, it should be noted that the National Science Foundation and the Smithsonian Institution (National Museum Act) assist museums - their programs, however, fall outside the scope of this report.] The Arts Endowment's Museum Program, however, is the only one of the three to be concerned exclusively with art.

The Museum Program of the National Endowment for the Humanities operates under its Division of General Programs; significantly, its guidelines are titled "Museums and Historical Organizations." Its overall objectives are to educate the general public and engage them in: 1) appreciation and interpretation of cultural works; 2) historical ideas, figures and events; and/or 3) understanding of disciplines in the humanities. Its goal, according to the guidelines is to "support activities for the general public and scholars using the resources of material culture -- artifacts, documents, works of art, architecture, objects of industrial design, scientific specimens and other tangible objects -- to study and interpret ideas in the humanities and to promote a critical examination of human experience in its varied dimensions." The Program supports special exhibition projects from museums, historical societies, libraries, educational institutions and, on occasion, science and natural history museums.

The Institute of Museum Services, established in 1976, awards general operating support (GOS) to museums of all kinds in amounts not exceeding $50 thousand or 10% of their operating budget, whichever is less. Neither of the Endowments provides museums with this type of support. The IMS museum constituency includes not only art, science, and natural history museums, but museums such as historic houses, historical societies, technology museums, science centers, planetaria, aquariums, zoological and botanical gardens and nature centers among others. Under its Museum Assessment Program, the IMS also awards grants to museums to provide for an independent professional assessment of their programs and operations. This assessment is coordinated by the American Association of Museums. In FY 84, 85 and 86, Congress appropriated funds for conservation and special project grants.

Relative Roles of the Three Agencies

Although museum programs in both the Arts and the Humanities Endowments fund exhibitions, documentation and conservation projects (also funded by IMS beginning in FY 84), as has been indicated, their emphasis -- and consequently their activities -- are very different. Each starts from its own philosophical premise: the Arts Endowment emphasizes the work of art for its own sake, while the Humanities Endowment, when it supports art-related projects, focuses on the work of art as a cultural artifact. Arts Endowment exhibition projects stress the work of art as the creation of an individual. They are concerned with its creative genesis, its relationship to the artist's own time and to earlier art historical traditions. While social, literary or other non-artistic considerations are not excluded, they remain secondary to the aesthetic content of the project. Moreover, at least 50% of the funds allocated by the Arts Endowment to Special Exhibitions are generally awarded for showing of 20th century art, especially by living American artists.

The Humanities Endowment, on the other hand, when it funds art-related projects, supports those which focus on art as illustrative of ideas. It does not focus on living American artists, although it does not exclude them. Cultural, historical and and other humanistic implications of the project are stressed as opposed to the artist and art form. The line that separates the two points of view is imprecise, but this ensures government responsiveness to significant projects that might lie somewhere between these two approaches.

The following examples may help to clarify further these distinctions:

The Sun King: Louis XIV and the New World, organized by the Louisiana Museum Foundation in conjunction with the opening of the World's Fair in New Orleans, exemplifies the type of exhibition that reflects the mission of the Humanities Endowment's Museum Program. While the exhibition presented magnificent works of art, its thematic organization centered around Louis XIV and his world, both within France and in the Louisiana Territory. Each object was selected for its relationship to this basic premise and only secondarily for its artistic significance.

The Late Paintings of Pierre Bonnard, co-organized by the Dallas Museum of Fine Arts and the Phillips Collection in collaboration with the Musee National d'Art Moderne, Paris, exemplifies the kind of exhibition supported by the Arts Endowment. It draws attention to the way Bonnard's art developed after 1915 when his paintings increased in scale and intensity of color and achieved a new level of poetry.

On occasion the two Endowments fund different aspects of the same exhibition as happened with El Greco of Toledo, organized by the Toledo Museum of Art, and German Expressionist Sculpture, organized by The Los Angeles County Museum. Both were major exhibitions with large budgets. In such cases Arts Endowment funds help with the organization of the exhibition and its presentation while Humanities Endowment funds support the interpretive catalogue, the development of an educational program and labels that place the art in its historical and cultural context.

Private Sector

It should also be noted that, unlike the Humanities Endowment, every grant to a museum from the Arts Endowment Museums Program, requires matching funds. Special Exhibition awards of $50 thousand or less require at least a 1:1 match; between $50 thousand and $100 thousand a 2:1 match and over $100 thousand a 3:1 match. These requirements have stimulated private sector support: at least 80% of these grants are overmatched.

Conservation

All three agencies now award funds for conservation. The Arts Endowment conservation program, in effect since FY 71, awards a maximum of $25 thousand to conserve individual works of art or collections of art. It also funds conservation planning, training in conservation through master-apprentice programs, and student internships at graduate conservation centers, as well as purchase of technical equipment.

Beginning with the FY 87 guidelines, the Humanities Endowment conservation program, which began in FY 85, will make grants for surveys to determine conservation needs and for treatment of objects only in conjunction with planning and implementation of exhibitions. There are no ceilings for these grants.

The IMS conservation program, mandated by Congress in FY 84, awards funds for conservation treatment, training, surveys, species survival activities, and research. Up to $25 thousand can be awarded to eligible institutions. Treatment grants are made to museums for the conservation of everything from works of art, to fossils, historic buildings and mechanical equipment, animals, plants, and entomological material.

Although the conservation activities of all three Federal agencies are somewhat separated by the different missions and objectives discussed above, there is a potential for overlap in this area since many objects and artifacts in museums of all kinds are significant within the context of more than one discipline.

Professional Training
While both Endowments award grants to institutions for professional training and development, the Arts Endowment is the only agency that provides individual fellowships directly to museum professionals to improve their professional qualifications. Through a sponsoring museum, IMS funds can also be utilized for professional training.

Challenge Grants
Both the Arts Endowment and the Humanities Endowment award Challenge Grants to art museums. This funding is a separate category from the funding allocated to the Museum Programs. Although up until a few years ago Challenge grants could be used for general operating support, this is no longer the case. Currently only the IMS awards grants for this purpose.

The Arts Endowment's Challenge grant can be used toward:

a) establishing or increasing endowment and cash reserves; b) erasing deficits; c) construction of new buildings or major renovation of an existing plant; and d) major artistic initiatives which will be carried on for a long period of time (after Federal funds are exhausted). Arts organizations can apply to both Endowments for Challenge grants. If awarded a grant by both agencies, they must choose one or the other. In accepting a Challenge grant from one agency the organization cannot apply to the other until the completion of the three-year grant period. The minimum Arts Endowment grant for Challenge is $100 thousand and the maximum is usually $1 million; each grant must be matched 3:1 with new or increased contributed dollars. The minimum for a Humanities Challenge grant is generally not less than $10 thousand and the maximum is $1.5 million; these must be matched 3:1.

Management
Staffs of the Arts and the Humanities Endowments and of the IMS regularly share information on grant recommendations so as to avoid and eliminate duplication. They remain in consultation with one another -- both informally and in the Inter-agency Committee's Museum Working Group -- to define the differences between the three programs and make these clear to their respective constituencies.

Question: Your budget proposes to "continue the support of excellence in the arts and access to that excellence." While the question was posed about the budget being sufficient to achieve that goal, conversely is it not possible that at some budget level we would be fostering something less than excellence in the arts?

Answer: At proposed budget levels, panels are likely to recommend somewhat fewer grants than within the current appropriations level, focussing more than ever on supporting artists and arts organizations of the highest quality. At the proposed budget level, sufficient resources are available to provide significant support to art and artists that the panels consider excellent, and in only a few instances will a panel be unable to recommend funding for excellent projects. In some highly competitive programs, such as Challenge, some excellent organizations will not be awarded grants due to the sizeable number of well-qualified applicants, however, many of these will be awarded grants in subsequent years, as has been the case throughout the history of the program. It is, of course, possible that at some very high budget level the Endowment might make grants for activities that are less than excellent; the proposed budget does not approach that possibility.

MONDAY, APRIL 14, 1986.

INSTITUTE OF MUSEUM SERVICES

WITNESS

LOIS BURKE SHEPARD, DIRECTOR

Mr. **YATES**. Mr. Reporter, show the hearing as coming to order. This is the hearing on the budget for the Institute for Museum Services for fiscal year 1987, and appearing in support of that budget is the new Director of the Institute of Museum Services, Ms. Lois Burke Shepard. Have you been confirmed by the Senate?

Ms. **SHEPARD**. Yes.

Mr. **YATES**. Then you are indeed the Director of IMS. You don't have a budget officer with you, do you?

Ms. **SHEPARD**. I have an administrative officer.

Mr. **YATES**. You might as well bring him up instead of hiding him.

Ms. **SHEPARD**. He is here if we need him.

Mr. **YATES**. Ms. Shepard, your statement and biography may go into the record at this point.

Ms. **SHEPARD**. Thank you.

[The statement and biography of Lois Burke Shepard follow:]

STATEMENT OF

LOIS BURKE SHEPARD

Director, Institute of Museum Services

Before the

Subcommittee on Interior and Related Agencies

of the

Appropriations Committee

of the

U.S. House of Representatives

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear before you today to present the Administration's request for fiscal year 1987 for the Institute of Museum Services. IMS, in accordance with the President's budget, requests funds for FY 1987 only as required to terminate the agency in an orderly fashion.

As you may be aware, I have been the Director of IMS only a very short time. It has, however, been long enough to learn the impact that IMS has had on the museum community in its 10 years of existence. IMS is proud of the contribution it has made to museums, both monetarily and in helping them raise the consciousness of the public to the basic needs of museums.

Over the past 10 years IMS has provided 83.5 million dollars in general operating support. In the past 2 years IMS has provided over 6 million dollars in Conservation funds. As you have heard from several distinguished members of the museum community, general operating funds are particularly welcome because they allow museums the freedom to raise other more easily-attained "glamorous" funds used for exhibits and special projects.

During these last 10 years, many museums have taken giant steps in better administrative policies as well as private fund raising activities. That is to be commended and encouraged. The preservation of our nation's heritage and its presentation to the public is important to all Americans. It is in their interest to help fund what we show to ourselves, our foreign visitors, and of course, our children.

IMS has also, along with providing funds, been active in encouraging excellence in museum administration and practices. Indeed that has been the main criterion of our grants. IMS was created by Congress to support the efforts of museums to preserve the Nation's historical, scientific, and cultural heritage; to maintain and expand their educational role; and to meet the financial pressures resulting from rising operating costs and increased public demand for museum programs and services.

Funds have been provided to all types of museums including art, history, natural history, science and technology, zoos, planetariums, historic houses, botanical gardens, science centers, aquariums, and nature centers. The grant process is a competitive one which encourages excellence by virtue of the process itself as well as by the enhanced prestige of those museums who compete successfully.

As Dr. Peter Raven, Chairman of the Board of IMS has pointed out, from 1978 to present the Institute has generally provided operating support in any one year for approximately 10% of America's 5,000 museums. We do not claim that in 10 years that adds up to 100% because many museums have received grants for several years. It does, however, mean, that the percentage of museums that have received some form of federal funding from IMS is very high. Thus, it has called attention over the years to the operating needs of museums and has bought them time to fill those needs through private sector involvement.

An investment of over 90 million dollars in the museums of this country is a substantial one and not adding further funds is certainly not a reflection on the worth of that investment nor a rejection of the museum community. It is a recognition of the hard reality of the Federal deficit, and the fact that American taxpayers are particularly conscious of their tax money and know that federal priorities must be set.

During this income tax period, American taxpayers are more aware than ever that their elected legislators must make some very hard choices. Not all federal programs can be continued if we are to make serious inroads on the deficit.

It was never the objective of Congress or IMS to have museums across this country become dependent upon the federal taxpayer's money. The idea was and still is to help them help themselves. We have clear evidence that the 90 million dollars spent has done just that.

This initial boost from the federal government as well as the dramatic decrease in inflation has put many museums throughout the country in a more secure financial situation. IMS has been told time and again that the grants received have served as a type of seal of approval, allowing them to attract a greater proportion of private funding. But as any such mark of excellence, it does not have to be repeated year after year. The point has been made. As Congressman Lindsay Thomas of Georgia said in a letter to IMS in referring to a request for funds for a museum, "The excellence of this museum has already been recognized by IMS through the award of a similar grant last year."

The request before you today is a reflection of the reality of a reduced federal role in many programs. These deficit reduction decisions underscore the fact that the "nice-to-haves" in budget making are not always possible when balanced against the reality of the funds available. The administration must weigh all of the priorities of this nation in making its recommendations while I have but one tiny part to serve. It is with this knowledge that I submit to you the budget request for 1987.

INSTITUTE OF MUSEUM SERVICES

SUMMARY STATEMENT

The Institute of Museum Services, in accordance with the President's budget, requests funds for FY 1987 only as required to terminate the agency in an orderly fashion. The IMS estimates that the costs of closing out current grants and preparing agency files for transmission to the National Endowment for the Humanities will require an administrative budget of $330,000. This amount includes the total costs of severance and unemployment expenses (as reimbursed to the U.S. Department of Labor) for the IMS employees who will lose their positions at the IMS as a result of the phase-out.

IMS grants have been provided to museums of all types, including: art and history museums, science and technology museums; zoos, planetariums, historic houses, botanical gardens; and others. Although IMS grants have helped create a solid base of financial support for the Nation's museums, ultimately the responsibility for museum support must lie with the museums themselves as well as with state and local governments, and private donors and benefactors.

This request is neither a denial of the worth of American museums nor a repudiation of the accomplishments of museums using these federal funds during this nine year period; rather, it recognizes the severe federal deficit and budget problems affecting all sectors of the economy, museums included. IMS is proud of the contribution it has made to museums' programs and improved operational capacity. However, the need to reduce the federal budget continues to be a priority of the President. In light of reduced inflation, museums are in much better position now than when this Administration first took office in 1981. In January, 1981, the rate of inflation was 12.4%, as measured by the change in the consumer price index during the preceding 12 month period. By comparison, the inflation rate (using the same method) for the period ending December, 1985 was 3.5%; thus, these organizations no longer face an annual escalation of their costs amounting to nearly 10% of their annual operating costs; perhaps the best grant of all.

The Institute of Museum Services' request of $330,000, as stated, will provide for the orderly close down of the agency's functions. The National Endowment for the Humanities will handle the final close down of grants with project periods exceeding six months. Funds have been budgeted for one meeting of the National Museum Services Board to provide guidance to the staff on the IMS close out and its effect on the museum field. Following is a breakdown of the Institute of Museum Services' FY 1987 budget request.

INSTITUTE OF MUSEUM SERVICES

ACTIVITY HISTORY

1. GENERAL OPERATING SUPPORT

PROGRAM DESCRIPTION

Since its inception in 1976, the Institute of Museum Services has provided funds to support the efforts of museums to preserve the Nation's historical, scientific, and cultural heritage; to maintain and expand their educational role; and to meet the financial pressures resulting from rising operating costs and increased public demand for museum programs and services. Funds have been provided to all types of museums including art, history, natural history, science and technology, zoos, planetariums, historic houses, botanical gardens, science centers, aquariums, and nature centers.

General Operating Support (GOS) grants are awarded competitively, for a period of one year, to assist museums with their basic operating needs, including administrative costs of maintaining, preserving, and exhibiting their collections; the costs of utilities and security services; and provision of educational programs for the public. The Institute of Museum Services will have made, since 1983 (including the FY 1986 Estimate), 3,962 grants for a total of $69,668,000. 84% of this sum or $58,261,000 was provided for General Operating Support. Currently, the maximum GOS grant is $75,000, and the Institute estimates it will make 450 GOS grants for a (post-sequester) total of $15,984,000 in FY 1986.

In addition to GOS, the Institute makes grants in Museum Assessment (MAP I and MAP II), and in Conservation. The IMS has, since 1981, provided $1,000 Museum Assessment Program (MAP I and MAP II) grants from General Operating Support. MAP I grants support a one-time one-day general assessment of the overall operations and services of a museum. MAP II grants support a one-day assessment of the museum's program for caring for its collection. This grant is specifically designed to cover an honorarium, travel, and per diem costs of the MAP surveyor, technical assistance materials, and the administrative costs of the program. MAP awards have proven to be a low cost method of providing an important service to the nation's museums. The IMS expects, in FY 1986, to spend up to $400,000 from GOS for MAP I and MAP II.

2. CONSERVATION PROGRAM

In 1984 the Congress appropriated funds for Conservation Program (CP) grants to address the conservation needs of collections of all types of museum objects, living and non-living. In FY 1984 and FY 1985, the IMS provided 464 Conservation grants, awarded on a competitive basis, for a total of $6,277,000. In FY 1986, the Institute of Museum Services estimates it will award an additional 260 grants valued at $3,262,000.

The anticipated distribution of awards by category is displayed below:

AWARD CATEGORIES
(dollars in 000's)

	1985 Actual	1986 Estimate	1987 Estimate
1. General Operating Support			
Obligations.................	$16,757	$15,984	$ -0-
No. of Applications.........	1,265	1,345	-0-
No. of Awards...............	451	450 1/	-0-
Percentage Funded...........	36%	33%	-0-
2. Museum Assessment Program			
Obligations.................	$ 499	$ 400	$ -0-
No. of Applications.........	499	400	-0-
No. of Awards...............	499	400	-0-
Percentage Funded...........	100%	100%	-0-
3. Conservation Program			
Obligations.................	$ 3,221	$ 3,262	$ -0-
No. of Applications.........	476	475 2/	-0-
No. of Awards...............	259	260 2/	-0-
Percentage Funded...........	54%	55%	-0-
Total Obligations	$20,477	$19,646	$ -0-
Total No. of Awards	1,209	1,110	---

1/ General Operating Support grants will not be awarded until July, 1986: estimate is therefore based solely on Y 1985 experience.

2/ Conservation Program grants will not be awarded until September, 1986: estimate is therefore based solely on FY 1985 experience.

INSTITUTE OF MUSEUM SERVICES
ANALYSIS OF RESOURCES AND STATISTICAL SUMMARY
BUDGET ACCOUNT: 59-0300-0-1-503
($ in Thousands)

	FY 85 ACTUAL	FY 86 PRE-SEQUESTER	FY 86 POST-SEQUESTER	FY 87 REQUEST
Budget Authority				
General Operating Support	17,223	17,120	16,384	0
Conservation	3,254	3,409	3,262	0
Administration	785	795	761	320
National Museum Services Board	71	70	67	10
	21,333	21,394	20,474	330

3. ADMINISTRATION

INTRODUCTION

The Institute of Museum Services requests $320,000 in administrative funds for FY 1987, an amount which will enable the phase-out of the Institute over a six month period.

1100-PERSONNEL, 1200-BENEFITS, AND 1300-BENEFITS FOR FORMER PERSONNEL

Personnel Compensation

In Fiscal Year 1987, the Institute of Museum Services requests $120,000 for personnel compensation for 4 FTE. These 4 FTE will work to ensure that all federal regulations have been adhered to within the six (6) months it is estimated will be required to terminate the agency. In addition, salaries for National Museum Services Board members have been budgeted for one meeting.

FY 1987 Personnel Compensation:	$121,000.
FY 1987 National Museum Services Board Compensation:	$2,000.

Personnel Benefits

The IMS requests $18,000 for personnel benefits, a 15% rate reflecting the nature of most IMS employees being relatively new to the federal government. The agency pays into both Civil Service Retirement and Social Security for these employees, boosting the overall agency benefits rate.

FY 1987 Personnel Benefits: $18,000.

Benefits for Former Personnel

The Institute estimates that $25,000 will be required for terminal leave and severance payments to the IMS personnel who will be separated as a result of the agency's termination.

FY 1987 Benefits for Former Personnel: $25,000.

2100 TRAVEL AND TRANSPORTATION OF PERSONS

Funds for staff travel during the six (6) month phase-out period will be used to travel to meetings of museum associations in order to inform them of the IMS's termination. In addition, one last meeting of the National Museum Services Board has been budgeted for and included in this request.

FY 1987 Staff Travel:	$7,000.
FY 1987 National Museum Services Board Travel:	$8,000.

2200 TRANSPORTATION OF THINGS

Funds in this object class are used for express delivery of time-sensitive materials, such as close-out requirements for IMS grants.

Transportation of Things: $3,000.

2300 RENT, COMMUNICATIONS AND UTILITIES

Rent for space in the Old Post Office Building for the Institute for six (6) months is estimated to be $55,000, or 1/2 of the FY 1986 level.

FY 1987 RENT: $55,000.

Communications, Utilities, and Other Rent

The Institute requests $11,000 in funds for this object class in order to lease ADP equipment which is connected to the National Endowment for the Humanities' mainframe, and for both local and FTS telephone service.

FY 1987 Communications, Utilities, and Other Rent: $11,000.

2400 PRINTING AND REPRODUCTION

The IMS requests $7,000 for printing for the 6 month phase-out period.

Printing and Reproduction: $7,000.

2500 OTHER SERVICES

The Institute of Museum Services requests $70,000 in other services for FY 1987. The primary expense in this object class is for an Interagency Agreement the IMS has with the National Endowment for the Humanities to provide administrative support for such activities as accounting, ADP, grants management, personnel, and some legal services. In addition, the IMS will have moving expenses associated with the agency's termination.

FY 1987 Other Services: $70,000.

2600 SUPPLIES AND MATERIALS

FY 1987 Supplies and Materials: $3,000.

3100 EQUIPMENT

FY 1987 Equipment: 0

	FY85 ACTUAL	FY86 1/ EST	FY87 REQ
ADMIN	784	761	320
NMSB	71	67	10[illegible]

1/ FY 1986 column adjusted to reflect Gramm-Rudman-Hollings post-sequester amounts.

INSTITUTE OF MUSEUM SERVICES
ADMINISTRATIVE BUDGET: DETAIL OF OBJECT CLASSIFICATION 1/
($ in Thousands)

Object Classes		FY 85 Actual	FY 86 2/ Est.	FY 87 Req.
	Personnel Compensation			
11.1	Full-Time Permanent	360	377	120
11.3	Other than Full-Time Permanent	10	0	0
11.5	Other Personnel Compensation	13	5	3
11.9	Total Personnel Compensation	383	382	123
12.1	Personnel Benefits - Civilian	46	50	18
13.0	Benefits for Former Personnel	0	0	25
21.0	Travel and Transportation of Persons	47	37	15
22.0	Transportation of Things	3	3	3
	Rent, Communications and Utilities			
23.1	Standard Level User Charges	109	110	55
23.3	Communications, Utilities & Other Rents	22	18	11
	Total Rent, Communications & Utilities	131	128	66
24.0	Printing and Reproduction	28	17	7
25.0	Other Services	210	208	70
26.0	Supplies and Materials	3	2	3
31.0	Equipment	4	1	0
	Total IMS, Administration	855	828	330

1/ Object Class amounts reflect administrative funds and National Museum Services Board combined totals.

2/ Based on Gramm-Rudman-Hollings post-sequester administrative allocation.

IMS

INSTITUTE OF MUSEUM SERVICES • 1100 Pennsylvania Avenue, N.W., Room 510 • Washington, D.C. 20506

LOIS BURKE SHEPARD

Appointed by President Reagan and confirmed by the U.S. Senate as Director of the Institute of Museum Services (IMS), Lois Burke Shepard has responsibility for ensuring that the agency encourages and assists all types of museums in their educational role by helping them modernize their methods and facilities. Mrs. Shepard directs the agency's three grant programs; General Operating Support (GOS), Conservation Project Support (CP), and the Museum Assessment Program (MAP) so that museums will be better able to preserve the nation's cultural, historic, and scientific heritage. Mrs. Shepard works closely with the National Museum Services Board (NMSB), the governing arm of IMS whose 15 members are Presidentially appointed, to determine the policies and programs of the agency.

Prior to her appointment, Mrs. Shepard served as Chairman of Republicans Abroad International (1980-85) and as Director of Americans Abroad for Reagan-Bush '84. She began Republicans Abroad with a nucleus of twelve countries in 1981 and widened the organization to include 64 country chapters. As coordinator and supervisor of four regional chairmen and 64 country chairmen, she not only represented the interests of Americans living abroad to the Republican National Committee, Congress, the White House, and the Department of State, but effectively implemented and directed Republican vote-getting activities among five million overseas Americans.

Elected as Chairman of Republicans Abroad in 1981, Mrs. Shepard successfully lobbied for legislative changes in absentee voting laws in over 25 states and for equitable tax treatment for overseas citizens. She established the Republican Party's first overseas military registration program and speaker program, bringing together high level officials and their constituencies abroad. As a successful fundraiser, she organized major fundraising events worldwide and created the International Eagles Program to benefit the Republican National Committee and Republicans Abroad.

Skilled in diplomacy, Mrs. Shepard represented the Republican National Committee at the Conservative Party's Conferences of 1981 and 1983 in Great Britain. Appointed by the Secretary of State, she served on the Department of State's Overseas Schools Advisory Committee. In 1982 she was the first representative for overseas Americans at the White House Conference on Aging. Mrs. Shepard actively participated in several aspects of the Caribbean Basin Initiative and chaired the Caribbean Basin Evening for the President.

Mrs. Shepard has also served as Co-Chairman of Republicans Abroad Greece and was elected as alternate delegate representing Europe/Africa to the 1980 Republican National Convention as well as heading the overseas delegation to the 1984 Convention. A graduate of Vassar College, she has studied Greek, Hungarian, and French at the Foreign Service Institute and German at the University of Vienna. She was an educator prior to entering Republican politics and taught English Literature, American and European History and Drama in several cities throughout the world. She was also the first Dean of Women at the Harker Preparatory School in Potomac, Maryland.

Mrs. Shepard is married to William Seth Shepard, a retired diplomat and Republican candidate for Maryland's Eighth Congressional District seat. They reside in Potomac, Maryland with their two daughters, Stephanie, 23, and Robin, 22.

Mr. Yates. Now what do you want to tell us? You are new?

Ms. Shepard. I would like, if I may, Mr. Chairman, to read my statement, because I think perhaps that will say what I have tried very hard to say. I wrote the statement, and I——

Mr. Yates. I have read it. I think it is a very fine statement. You don't have Dr. Raven with you this year, do you?

Ms. Shepard. No, I am sorry, he couldn't be here.

Mr. Yates. I think it is better than the one Ms. Phillips filed last year. Last year, if you read the report, and I assume you did read the hearings——

Ms. Shepard. I did.

Mr. Yates. Last year, I was critical of both Ms. Phillips and Dr. Raven because they were all set to close the Institute for Museum Services, and I was critical because they had said nothing about the good work that I thought IMS had done over the years. Your statement corrects that. You have pointed out the good work IMS has done over the years, and I thought it was a pretty good statement, actually.

Ms. Shepard. Thank you.

Mr. Yates. If you want to read it, I will let you read it, but I don't know it will serve a useful purpose.

Ms. Shepard. If you have read it and feel comfortable with it, fine.

Mr. Yates. I am comfortable with it. I will tell you, in all frankness, I will try to keep IMS going. I wouldn't want you to lose your job. What is your own feeling about that?

Ms. Shepard. Well, as you know, Mr. Chairman, I am a Presidential appointee, and I support the President. I have carefully looked into the good works IMS has done, and I am very proud to be associated with IMS. I think our staff is first rate and has done some wonderful things.

As I said in my statement, I think it is very much a matter of priorities. I was asked to oversee a very small portion of what this Government is all about, and if the powers that be feel this is something that can now be taken over by the private sector, then I support that.

Mr. Yates. Did IMS make a request of OMB for funding for fiscal year 1987?

Ms. Shepard. The request that you have—yes, we did.

Mr. Yates. And OMB rejected it?

Ms. Shepard. Well, OMB came back; yes, OMB came back with the request that you have.

Mr. Yates. Do I have the correct impression, apart from the exigencies of the Federal budget, you support continuation of the IMS program?

Ms. Shepard. If it were fiscally possible, yes.

Mr. Yates. On occasion, I have had to address the Director of the Institute, Mrs. Tower in the first instance, Ms. Phillips as her successor, on procedures of IMS. Each of them required rejection of applications of museums which they felt had not filed a financial statement. On reading the cases, while it did not interfere, I had the impression that it was, that the objection was in its nature, technical rather than substantial and that IMS's procedures were too harsh and drastic upon applicants.

In one case, if my memory serves me correctly, the applicant had inadvertently omitted a financial statement, and I thought the opportunity should be afforded the applicant to correct that error by affording the financial statement at a later date. Does IMS still adhere to this kind of, what at least in my mind is, a dogmatic and arbitrary procedure?

Ms. **Shepard**. Let me respond to that by saying that this has been, I understand, a quite persistent problem. Right now, what has happened is that approximately three to five percent of the applications that came in in this last cycle were incomplete. This is a tremendous turnaround. Previously, almost 33 percent of the applications had been incomplete. I think there has been a lot of groundwork done to let institutions know what is expected of them.

Those that came in incomplete, the staff has taken great initiative for such a small staff in calling, saying "We need this piece of paper, we need that," et cetera. Now, it came to a head this year in a board meeting, which I did not attend because I wasn't on board then, but my understanding was at the February board meeting, the board voted to, on a one-time basis, to allow incomplete applications to be completed within seven days of the time of notification. Those notifications were telephoned to the people, and the majority of them did come back and did go on to field review. So they were given that seven days.

Now there is a little technicality there in that they were called, they were read the telephone protocol and given the date it had to be back to us, about six times in the telephone conversation. I still, personally, had a problem with that when I came in, because I felt that our mail room situation is such that sometimes the mail goes to NEH, and sometimes to NEA. It may take a day or two to get to us, and it wasn't quite fair. I have suggested if we go this route next year, I am going to suggest that there be a post mark date, so we can trace it.

However, there is another side to this, which I am just beginning to learn. I am beginning to learn a lot of things, but this was one that came up at a panel review session last Thursday and Friday, where we had the top museum people from around the country coming in doing the panel reviews on the awards. They made a very strong appeal to me to be presented to the board that basically said, why should we penalize the 97 percent of the institutions that get their applications in on time and give the three percent the advantage when everybody knows in the private world of grants, in the private sector, if your application is not in, it is not in. Some of these people work very hard to get their applications in on time and may neglect—they may not do it quite as well because they are trying to get the whole thing in.

Mr. **Yates**. How are they hurt by this process? Suppose it is extended a week?

Ms. **Shepard**. Their argument is that it is unfair to them because they may not have as carefully done each thing in their application trying to get it in on time, and also they were afraid if the word got out in the museum community we were going to do this as a matter of course and extend it to seven days, the late applications would burgeon and that our small staff would be overburdened.

I have not made a decision. I am just telling you what I am learning.

Mr. **Yates**. I can appreciate the cogency of that argument, and yet it seems to me that you have to have some discretion in the matter, that a hard and fast rule will prevent you from dealing with the decisions equitably if you feel that you should have the opportunity, if you feel a mistake has been made to correct that mistake rather than telling them the time has expired.

Ms. **Shepard**. Sure.

Mr. **Yates**. If you feel a bona fide attempt was not made to comply with your rules, you should have the opportunity of telling them that as well.

Ms. **Shepard**. I think that is fair enough.

Mr. **Yates**. While I sympathize with the members of the panels who may have their time cut off a little bit because of the lengthening of the periods to correct some mistakes, those who haven't should be given the opportunity through warning to tell them "You can do it once and then after that, we will expect you to comply".

Ms. **Shepard**. That is fair.

Mr. **Yates**. All right. Would you know, or do you have with you somebody who can advise you on whether there was inadequate funding in previous years for applications that you had to turn down because you didn't have enough money?

Ms. **Shepard**. I did some research into that, Mr. Chairman, and the figures basically show that the number of excellent applications—and, of course, as you know, the program is geared to reward excellence—have been quite commensurate with the amounts of money so that the cutoff point—for instance, when the maximum was $50,000 that we were giving, the percentages were quite high actually. I think I can find the exact figures.

But we were giving out, I believe it was over 40 percent. There was a feeling that that was not commensurate with other grant-giving institutions of the United States Government and that that should be brought more in line with those figures which are somewhere between 30 and 40 percent on that basis and that we should be very able to do that at this level of $75,000 with this past year's grant. The figures are now around 30 to 33 percent that we are funding and that that is a fair and equitable amount to fund really showing the excellent grants.

I think one of the greatest advantages to this program that I have seen, and the people I have talked to, is the fact of the seal of approval one of these grants gets. It is not an automatic thing. Once you get it, you have been through an excellent competitive process, and they don't expect everybody to get it.

Mr. **Yates**. I think I will let you operate for a while before I ask some of these questions.

Do you have any impression as to how worthy the conservation grants are?

Ms. **Shepard**. I think the entire topic of conservation is one that I plan to become very involved in. I have studied the report that came out on the survey and am beginning now to go out into the field and talk to conservation experts as to what direction the conservation program should take, should IMS be funded, because I think it is very important that we don't have an overlap with what NEH is doing. As I am sure you are aware, NEH has changed its program to a more project-oriented field.

My own personal feeling is if the United States Government is going to be in the field of giving money for conservation purposes, then it has to be a very well thought out program in terms of funding, not individual sporadic pieces, but a real program that will help us conserve the treasures of this country. And I am really just at the beginning stages of exploring that.

Mr. **Yates**. What are your administrative funding requirements? Will they be the same in the event Congress funds the same amount?

Ms. **Shepard**. I believe if Congress voted the same amount, I believe they should be raised a bit.

Mr. **Yates**. Tell us what you think should be done.

Ms. **Shepard**. I think that if we remain at current funding, we should have more money in the budget to do a couple of things that I think need doing. For instance, the travel budget is, very, small. Administratively, when our people are asked to go out and help give technical assistance in the field, speaking at meetings and so forth, if we are going to give that kind of technical assistance and if—for instance, some of the minority museums have asked us for technical assistance, I have in the back of my mind it might not be a bad idea to have a two-day workshop here to do some of these kinds of things or for our people to be able to go out to more of these meetings and explain how to get these grants, particularly to the small, less experienced museums.

Mr. **Yates**. Where are those museums?

Ms. **Shepard**. There are a great number of them scattered around.

Mr. **Yates**. I am wondering which have asked you for help.

Ms. **Shepard**. Particularly the Afro-American museums.

Mr. **Yates**. Wouldn't it be more efficient and probably more economic to ask one of your bigger museums to take care of it for you?

Ms. **Shepard**. It is a wonderful idea if we can get them to do it.

Mr. **Yates**. Let's find out. I think either the Met, if it is New York, for example, or National——

Ms. **Shepard**. To sponsor a workshop.

Mr. **Yates**. Either sponsor a workshop or send one of these experts over to help.

Ms. **Shepard**. Because it is obvious some of the museums have experts who know how to fill out these grant forms.

Mr. **Yates**. And I wonder whether or not we can't ask the American Museum Association whether they want to sponsor this kind of a cooperative program to help.

Ms. **Shepard**. I have had some preliminary talks with some of the various agencies, and they are all very interested. So, again, it is just incipient.

Mr. **Yates**. All right. We are going to have some questions for you to answer for the record.

We are glad to meet you and wish you the very best of luck.

If you have any problems or questions with which we can help, please don't hestitate to call us.

Ms. **Shepard**. I appreciate it.

Mr. **Yates**. Thank you.

[Questions and answers submitted for the record follow:]

IMS

INSTITUTE OF MUSEUM SERVICES • 1100 Pennsylvania Avenue, N.W., Room 510 • Washington, D.C. 20506

INSTITUTE OF MUSEUM SERVICES

Responses to Questions from the House Subcommittee on Interior

The budget justification indicates that, "Although IMS grants have helped create a solid base of financial support for the Nation's museums ultimately the responsibility for museum support must lie with the museums themselves as well as with state and local governments, and private donors and benefactors."

Does this mean that museums currently have all the financial support they need?

The statement means that IMS has helped individual museums develop the means to generate their own on-going sources of non-Federal support. The GOS award is a separate competition each year, and there are no guarantees that any given museum will be funded in succeeding years. This mechanism was designed to prevent museums from becoming dependent on the GOS grant as a regular source of support, and to encourage museums to use the GOS grant as leverage to discover and cultivate other sources of regular support. Currently, museums have sufficient funds to provide the services they provide. Any organization, given more funds, can provide more services.

What indications do you have that museums have a solid base of financial support?

The GOS application criteria ask museums to describe their sources of non-cash and non-federal sources of support, to describe their financial strengths and weaknesses, and to identify their budgetary excesses or deficits in the last five years. Applications which are recommended for funding on a preliminary basis are screened to determine whether there is a significant deficit for the institution and are evaluated by CPAs for their fiscal viability. Applicants with unsound financial practices or insufficient financial support as a result of their own lack of fundraising initiative will presumably be downgraded in the review process by the field reviewers evaluating those criteria.

IMS has a maintenance of effort requirement which demands that grantees maintain their fundraising efforts during the period of the grant. One means by which this maintenance is demonstrated is that the museum raises at least as much money from other sources during the period of the grant as it raised in the year prior to the grant. The regulation has only begun to be enforced with the 1984 GOS awards, the reports for which we are just now reviewing. With approximately 20% of the reports reviewed, none have been identified as having a problem meeting the maintenance of effort requirement.

Some institutions, although they have received only 10% of their prior year non-Federal operating income, return grant funds to IMS at the end of the grant period. While these are normally museums which are parts of larger organizations such as universities and park commissions which have accounting systems that maintain the grant funds in a separate category, this is an indication that at least some museums were unable to expend all of their grant funds.

What is the level of general operating support private donors and benefactors are willing to give? Aren't private donors more likely to fund a specific exhibition rather than the general operating support which your grants provide?

IMS has no way of knowing the answer to this question as it is speculative. IMS does not collect or analyze information with respect to this question.

General operating support funds are more difficult to secure than special project funds of any description. However, over the past eight years of funding, IMS has given over $90 million to 2,294 different museums to help them heighten the awareness of this problem.

To what extent have your grants served as a catalyst for others to give funds? Do you have any idea how much your grants have stimulated other giving?

IMS has been told repeatedly that the grants do act as a catalyst for private funds. Those grants both heighten the awareness of the public of the need for these funds and give an increased prestige to institutions which allow them to better compete for private sector support

In an informal survey asking exactly this question, IMS learned that there is no way of knowing specific amounts generated by IMS grants. There was, however, almost unanimous agreement that these grants do, in fact, act as a catalyst for private funding because, "It increases credibility as a viable community institution and reinforces the commitment of private donors, because they know they are investing in a solid institution." Also, the corporate sector wants to know that an institution is well-managed and federal funds attest to that.

Is it your expectation that private funds will fill the void left if IMS no longer provides grants?

To some extent, they will. GOS recipients often report of funding new positions with IMS support which are then assumed by another private or public funding source after the grant expires. There is evidence that other sources will fill in. Please see the attached report from the Institute of Contemporary Art, pages 2-5, as an example.

Again, these are one year grants and when an institution does not receive the funds, they continue to exist and to provide substantially all of the services they were providing during the period of the grant. We have never heard of a single institution having to close its doors because of the lack of IMS funding.

If the Congress makes grant money available to IMS in FY1987, would you have any recommendations for changes to make the grant review process better?

The present review process has been carefully developed and refined over the past eight years. It commands respect in the field and is viewed as an equitable process for all of the sizes and types of institutions which apply. Presently, the need is for the training of peer reviewers in the field to improve the quality of their performance.

The justification shows the obligations and grants made for each type of grant.

For 1985, how many applications rated excellent were not funded as a result of inadequate funds?

IMS does not use a rating system which incorporates the term "excellent". However, no applications which IMS would deem to be excellent were excluded from funding because of insufficient funds.

How many applications are expected for GOS grants in 1986?

The Institute of Museum Services received 1351 General Operating Support Program applications in 1986.

How many of those grants are likely to be rated excellent but not funded because of inadequate funds?

We do not anticipate that any applications which IMS might deem to be excellent will not be funded because of insufficient funds. IMS has determined that an appropriate percentage of applications to be funded of all applications reviewed is approximately thirty percent, an amount which is consistent with other federal agencies providing grants to museums.

How many applications for conservation grants are there in FY 1986?

There are 427 applications for Conservation Project Support grants in Fy 1986.

How many of those grants are likely to be rated excellent but not funded because of inadequate funds?

None. Applications to this program decreased from 1985 to 1986 (475 in 1985; 427 in 1986). In 1985, IMS was unable to award approximately $170,000 because the quality of the applications and the soundness of the activities proposed did not merit the expenditure of those funds. As applications have decreased, we expect the same situation to occur this year.

What would your administrative funding requirements be in FY 1987 if the Congress continues the program funding at about the FY 1986 level?

The Institute of Museum Services would require $829,000 in administrative funds for FY 1987, an 8.2% increase over the FY 1986 appropriation, and an amount consistent with the FY 1985 administrative appropriation if the agency is re-appropriated for next year. We would like to note for the record that the administrative requirements for the Institute of Museum Services are not program sensitive; which is to say that regardless of the amount of the program appropriation, the staff required to process IMS grants would remain at current levels, the amount required to print applications would remain at current levels, in effect the amounts in the other object classes would also remain at current levels.

1100-PERSONNEL, AND 1200, BENEFITS

Personnel Compensation

For Fiscal Year 1987, the Institute of Museum Services would require $383,000, or about 48% of its administrative budget for personnel compensation for 15 FTE. This is an amount marginally higher than previous years, primarily because the agency is now fully staffed, having filled a vacancy in the Director's Office left unfilled until Miss Phillips' replacement was confirmed by the Senate. Additionally, the Institute of Museum Services has a staff which was hired at a junior level, with career ladder advancement possibilities. The FY 1987 personnel compensation estimate assumes staff career ladder promotions which are not scheduled for FY 1986 because of the current government-wide budget cuts. This request makes no assumption for a federal pay increase for FY 1987.
FY 1987 Personnel Compensation: $383,000.

Benefits

Personnel benefits for FY 1987 are calculated at 15%, the rate at which the IMS has covered its employees during FY 1986. This high rate is due to the fact that a majority of the Institute's staff is relatively new to the federal government, and therefore receive coverage under the newer Civil Service Retirement and Medicare regulations.
FY 1987 Personnel Benefits: $56,000.

2100 TRAVEL AND TRANSPORTATION OF PERSONS

The Institute would require $18,000 for travel in FY 1987, an increase from the FY 1986 level, which will permit the IMS Director and staff to travel to the various museum association conferences and meetings, many of which will not be attended in FY 1986.
FY 1987 Staff Travel: $18,000.

2200 TRANSPORTATION OF THINGS

Funds in this object class are used primarily for express delivery of time-sensitive reviewer materials.
FY 1987 Transportation of Things: $4,000.

2300 RENT, COMMUNICATIONS, AND UTILITIES

Rent for space in the Old Post Office Building for the Institute is estimated at $82,000 for FY 1987. This amount represents 9.8% of the IMS' FY 1987 estimated fixed administrative expenses.
FY 1987 Rent: $82,000.

Communications, Utilities, and Other Rent

The Institute uses funds in this object class to lease ADP equipment which is connected to the National Endowment for the Humanities' mainframe, and to pay for local and FTS telephone service, and postage.
FY 1987 Communications, Utilities, and Other Rent: $26,000.

2400 PRINTING AND REPRODUCTION

The Institute's primary annual printing expenses derive from the printing of each of the application/guidelines for the IMS' grant categories, as well as the expense for the agency's submissions to the Federal Register. Should the Institute receive an FY 1987 appropriation, the GOS and Conservation program applications which have had their printing delayed for the FY 1987 grant cycle due to the Gramm-Rudman budget cuts, will each need to be printed in October, 1986, and in July, 1987, in order to maintain the agency's grant cycle.
FY 1987 Printing and Reproduction: $33,000.

2500 OTHER SERVICES

The IMS would require $221,000 in other services for FY 1987. The agency's major expenses in this object class are for the Interagency Agreement the IMS has with the National Endowment for the Humanities for providing administrative support, on a reimbursable basis, for such activities as accounting, ADP, grants management, personnel, and some legal services; the other major expense is for the reviewers and panelists who analyze and score the annual grants applications for all categories. There are, in addition, the more routine expenses such as small service contracts, guard services, and the contract for employee health service with the Internal Revenue Service.
FY 1987 Other Services: $221,000.

2600 SUPPLIES AND MATERIALS

FY 1987 Supplies and Materials: $3,000.

3100 EQUIPMENT

FY 1987 Equipment: $3,000.

Authorized under Section 203 of the Museum Services Act, the National Museum Services Board has the responsibility for determining the general policies and programs of the Institute of Museum Services. The Board, appointed by the President and confirmed by the U.S. Senate, consists of 15 voting members and four ex-officio members. Under Section 204, the Board is required to meet at least four times a year and whenever one-third of its members request a meeting.

NATIONAL MUSEUM SERVICES BOARD

The Institute would need $58,000 for the National Museum Services Board to meet three times during Fiscal Year 1987. This will permit Board compensation and travel for all members to the three meetings, as well as salary for the portion of time spent on the Board's activities by the Executive Assistant to the Board (75%). The Institute and the National Museum Services Board believe that the Board's responsibilities can be carried out effectively with 3 meetings a year.

In the event that an Appropriation is to be provided for 1987, the Committee should consider adding a provision to the Appropriations bill which would permit an exception to Section 204 of the Museum Services Act. If four (4) meetings are continued to be required, the Institute estimates the Board would need $70,000 in FY 1987.

FY 1987 National Museum Services Board Activities (3 meetings):	$58,000.
FY 1987 National Museum Services Board Activities (4 meetings):	$70,000.

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INSTITUTE OF MUSEUM SERVICES
ADMINISTRATIVE BUDGET: DETAIL OF OBJECT CLASSIFICATION
($ in Thousands)

Object Classes		FY 85 Act.	FY 86 Est.	FY 87 Req	
	Personnel Compensation				
11.1	Full-Time Permanent	356	340	383 [1]	
11.3	Other than Full-Time Permanent	.0	0	0	
11.5	Other Personnel Compensation	0	0	0	
11.9	Total Personnel Compensation	356	340	383	
12.1	Personnel Benefits - Civilian	44	50	56	
21.0	Travel and Transportation of Persons	15	13	18	
22.0	Transportation of Things	2	3	4	
	Rent, Communications and Utilities				
23.1	Standard Level User Charges	105	110	82	
23.2	Communications, Utilities & Other Rents	21	21	26	
	Total Rent, Communications & Utilities	135	131	108	
24.0	Printing and Reproduction	27	12	33	
25.0	Other Services	207	210	221	
26.0	Supplies and Materials	3	2	3	
31.0	Equipment	4	0	3	
	Total IMS, Administration	784	761	829	829
	National Museum Services Board	71	67	58	70
	Total Administration	855	828	887 [2]	899 [3]

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[1] Excludes possible pay supplemental.

[2] Total at 3 National Museum Services Board meetings, annually.

[3] Total at 4 National Museum Services Board meetings, annually.

What have you had to do to adjust to the Gramm-Rudman reductions?

The Institute of Museum Services, the same as other Federal agencies, reduced its Programs, Projects, and Activities (PPA's) by 4.3%. The result of this reduction on the IMS' programs has been minimal. The effect on the General Operating Support program in FY 1986 has been a reduction of an estimated 20 grants (based on the FY 1985 average grant of about $37,500). See Attached.

The Conservation Program will be affected not at all. The Institute of Museum Services lapsed approximately $176,000 of the FY 1985 Conservation Program Appropriation because of a lack of viable project applications. The post-sequester FY 1986 Conservation Appropriation stands at about $30,000 above that FY 1985 net amount.

The most noticeable cut was that which affected the Institute's administrative budget. The IMS was reduced by an initial 4.3% ($37,000) when the FY 1986 Interior Appropriation bill was marked up last fall. The additional 4.3% Gramm-Rudman sequester has required that the IMS postpone printing the FY 1987 applications, delay staff promotions, and reduce staff travel. The most profound effect of these cuts was not completely apparent due to an unusual staff turnover in the IMS' Director's Office last summer. The net effect of the savings from the resulting hiring lag has permitted the agency to continue to function.

Page 1 of 1

PROGRAM, PROJECT, ACTIVITY DETAIL
($000)

Agency: Institute of Museum Services

Account Title: Institute of Museum Services

Account ID code: 31-37-0300-X-1-503-A: 59-0300

Source: H. Rept. 99-205; S. Rept. 99-141; Conf. Rept. for H.J. Res. 465; Interior Support table for P.L. 99-190

	Budgetary Resources		
Program, project, activity	Base	Sequester	NEW TOTAL
1. General Operating Support	17,120	736	16,384
2. Conservation Program	3,409	147	3,262
3. National Museum Services Board	70	3	67
4. Administration	795	34	761
Total	21,394	920	20,474

Is it accurate to say that the IMS is not the only source of federal support for museum activities? What other federally funded programs support museums?

Yes. Other federally funded programs that regularly support museums include the National Endowment for the Arts, the National Endowment for the Humanities, the National Science Foundation and the National Museum Act. Additionally, museums may receive funds from other federal agencies such as the Department of Education or Energy; however, these agencies do not have regular museum programs.

What is the primary source of support for our nation's museums? Is it federal, state or private?

In 1981, the National Center for Education Statistics published Contractor Report: Museum Program Survey, 1979. Commonly called the "Universe Survey", the study addresses the question of sources of support for museums on pages i-ii and in Chapter III which are reproduced for your information. According to the report, 42% of museum income was earned, and about 14% came from Federal sources. While this information is now seven years old, IMS has no other way of answering this question at this time as we have not had the resources to compile the information reported to us in the General Operating Support grant applications.

MONDAY, APRIL 14, 1986.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

WITNESSES

MARK TALISMAN, VICE CHAIRMAN, UNITED STATES HOLOCAUST MEMORIAL COUNCIL

MICAH H. NAFTALIN, SENIOR DEPUTY DIRECTOR, UNITED STATES HOLOCAUST MEMORIAL COUNCIL

STEPHEN E. LYNCH, SPECIAL ASSISTANT TO THE REGIONAL DIRECTOR, NATIONAL PARK SERVICE, NATIONAL CAPITAL REGION

Mr. YATES. Mr. Reporter, show the hearing as coming to order.

This is a hearing on the budget for fiscal year 1987 for the United States Holocaust Memorial Council. Appearing in support of that budget is the Honorable Mark Talisman, the Vice Chairman of the Council; and Mr. Micah Naftalin, the Senior Deputy Director.

Is there a junior deputy director?

Mr. NAFTALIN. Not anymore.

Mr. YATES. Was there one?

Mr. NAFTALIN. When I first arrived, there were three slots called Deputy Director on the books. They came up with the title Senior Deputy Director.

Mr. YATES. Mr. Talisman's statement may go into the record at this point.

[The statement of Mr. Talisman follows:]

Statement of Mark Talisman, Vice-Chairman, United States Holocaust Memorial Council, before the House Committee on Appropriations, Subcommittee on Interior and Related Agencies, on the 1987 budget for the United States Holocaust Memorial Council.

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear today on behalf of the United States Holocaust Memorial Council, of which I am honored to serve as its Vice Chairman. In this connection, I am honored to bring you the personal greetings of the Council's Chairman, Elie Wiesel. The Council's Fiscal Year 1987 request for appropriations can be found at Page I-Z128 in the Appendix to the President's Budget for Fiscal Year 1987, as supplemented by narrative text and tables previously submitted to the Subcommittee by the Council's staff. The Council's federal funds budget request for Fiscal Year 1987 is $2,057,000, which represents a net decrease of $55,000 from the 1986 appropriation of $2,112,000. This request will fund 29 fulltime equivalent workyears, and enable the Council to continue to support civic commemorations of The Days of Remembrance, to maintain its momentum toward constructing a Memorial Museum and to meet its other legislated mandates, including the planning of museum programs, exhibitions, education facilities, a library and international archives as well as the maintenance of Government contracts procurement, fiscal policy oversight and accountability for the entire activity.

As in past years, we are very appreciative of the support that the Administration has given this Council. On the occasion of the official Groundbreaking for the Memorial Museum, we were privileged to receive communication from President Reagan stating, "We are building this Museum not just to pay our respects to the memory of the victims of an immense tragedy, nor merely to provide the living with a reminder of the horror which even now is slipping out of living memory and into history. We build today for our posterity." These are powerful words as we move forward to render in stone the design of the structure and create the interior concepts for memorial, exhibitions, culture, scholarship and education spaces.

Mr. Chairman, it is a great pleasure to appear before you today and to have this opportunity to report the substantial progress that has occurred during this past year. As you know, from its creation by enactment of Congress in 1980, the Council was given authority to proceed under the provisions of the enabling legislation, provided construction had begun within five years and that the Secretary of Interior certified that sufficient funds were available to assure completion of that construction. We are pleased to report that on October 4, 1985 Secretary of the Interior, Donald P. Hodel, approved the architectural plans for the Museum and certified that sufficient funds are available to complete construction. Later that same date, the stakes demarcating the structure's boundary were set in a ceremony signifying commencement of construction. On October 16, Chairman Elie Wiesel turned the first shovel of earth in an extraordinarily moving public groundbreaking ceremony in which the official colors of 10 American Army Divisions that liberated the concentration camps were displayed and earth brought from several European Concentration Camps was mingled with American soil to create a unique and symbolic base for the Memorial Museum that will rise on that valuable site.

While the overall external design has been approved by the Secretary of the Interior, the internal design components were in their infant stages prior to this year. Great care and effort previously had been devoted to the gathering of factual information upon which to base the Museum content and in turn the interior design components. However, the myriad of individual efforts by numerous consultants, experts and contractors had not been consolidated into a total interior design concept. Therefore, in November 1985, Chairman Wiesel appointed a Design Concept Development Committee to synthesize previous data for the Council. We were pleased and fortunate to have that Committee chaired by Mr. Stuart Silver, formerly Director of Design of the Metropolitan Museum of Art in New York and an internationally respected authority on museum design planning and content. That Committee, which also included Council staff and experts in the areas of Holocaust education, history, archives, film making and architecture, has now presented to the Council for its review a comprehensive Design Concept Report that will serve as the roadmap for future programmatic development and internal exhibit design.

This Committee and its Report reinforced earlier recommendations that just as important as the building design concept is the Museum's broad mandate in public education, which requires that it address millions of Americans of all ages and backgrounds, both the millions who will visit the Museum in Washington and many others who are unable to do so. The programmatic exhibit elements in the Museum will describe the unique tragedy of European Jewry -- its lost people and culture; the spread of evil to other victims; the complex unfolding of the Nazi era while the free world looked on; the instances of armed and spiritual resistance and rescue; the survivors and their liberators; and the awesome implications for all humankind of the Kingdom of Night. This challenge will be met in a facility that integrates historical authenticity and innovative exhibit design with a diverse range of learning resources and sophisticated teaching techniques. In addition to the Museum's documentary resources, there will be a full schedule of public educational programs. Lectures, film series, conferences, seminars and classes will be held, both at the Museum and in outreach efforts. Moreover, the Museum will provide an extensive traveling exhibition service for the benefit of other museum, educational and civic institutions throughout the nation and the world.

The United States Holocaust Memorial Museum has a special obligation and opportunity to support the highest level of academic research, curriculum development, and teacher awareness and training services. Archival, artifact and library collections will provide fundamental resources for resident and visiting scholars. The Museum will be a central address for linking the evaluation and sharing of Holocaust curricula, textbooks, documents, audiovisual materials and teaching techniques.

The Museum also will be instrumental in integrating the archival collections of Holocaust museums, libraries and research institutions throughout the world, both by preserving and accessioning microfilm, microfiche and videodisc copies of original documents and photographs, and, by creating through a model computerized automated international archival network, universal indices and glossaries for reference and research. This is a notable example of how this important new institution will be able to provide leadership and service to other museum, library and research institutions in the United States and abroad.

To fulfill these mandates, the Council has made significant progress in establishing and testing educational tools, identifying archival material and making national and international contacts toward achievement of specific museum archival and educational goals and objectives. As we have noted, we have, assuming full Council approval, completed the conceptual outline of our permanent exhibit design approach; we have developed, with the assistance of the University of Maryland, a novel and exciting approach to museum education involving a computer-assisted, interactive Holocaust encyclopedia; completed a demonstration model of a multi-media presentation of a significant Holocaust subject — in this case, the fate of the Riga Ghetto; proceeded through two phases of a three-phased exercise for the development of a prototype demonstration of the elements of the international, automated archival system for locating Holocaust materials residing in all the important Holocaust Centers, museums and repositories in the world — a badly needed resource for museums and scholars alike.

As a result of the concerns expressed before this Committee in the past, and the full understanding and assistance provided to us by this Committee and your counterpart in the Senate, on March 1 we entered into an Interagency Agreement with the National Archives to begin the project which will preserve Holocaust-related documentation in the National Archives from deterioration and will provide an automated inventory to such records for the use of not only the Holocaust Council and the National Archives, but independent researchers as well.

The identification of resources and the development of such educational tools by the Council is essential if the Museum is to become a service institution that will provide unprecedented access to Holocaust curricular, teacher training and archival, artifact, video and film resources using sophisticated techniques.

During Fiscal Year 1987, the detailed planning must continue to determine the specific configurations of the several exhibits, the library and archival material and the education program components of the facility. Planning to date envisions an interrelated complex consisting of archival and curatorial material as well as audiovisual presentations to display for the public the story of the Holocaust; a national memorial space within the facility; and further exhibits, library, archives and computerized facilities available to the general public, educators, students and other academicians to study and research the history of the Holocaust, as well as to make available to the educational community access to the materials and collections of other national and international Holocaust Resource Centers.

Plans for Museum development will also be applied to the essential education development planning for three kinds of work: coordination of outreach services (e.g., to inaugurate awareness and training programs in cooperation with national educational associations and with the Department of Education); computer system design (to plan research and basic instruction software and resultant hardware requirements); and media systems design (to include videotape, disc and related technologies). Comparable detailed planning is underway to identify specific exhibit and archival approaches.

As you are aware, Mr. Chairman, in 1981 we were pleased to be able to sponsor the first International Liberator's Conference and, in 1984, a second Conference for those who rescued Jews during the Holocaust. Continuing the success of these Conferences and recognizing the valuable documentation which, in future years, will become priceless archival material, we are planning for another Conference to be held next winter to reach out to the "other victims" of the Nazi terrorism. The facts, documentation and the learning experiences of these Conferences are invaluable as we proceed with final Museum content and design so that all aspects of this uniquely horrible period become an integral part of the story the Museum must tell.

Moreover, we are ever cognizant of our other mandated responsibilities, "to provide appropriate ways for the Nation to commemorate the Days of Remembrance as an annual, national, civic commemoration of the Holocaust, and shall encourage and sponsor appropriate observances of such Days of Remembrance throughout the United States."

Since 1983 the Council has successfully and completely fulfilled its Congressional mandate of encouraging appropriate civic observances of Days of Remembrance. This program of working with the offices of governors, mayors, and state legislative leaders to encourage local commemorations is well established and well run. Each year every governor and hundreds of mayors and state legislative leaders appoint liaisons to coordinate state and local civic commemorations of Days of Remembrance. The Council supports these liaisons with materials and advice. Our files are filled with reports of hundreds of moving and well-attended civic commemorations throughout the country.

As a parallel activity, we have expanded year by year our outreach to local educational, civic and religious institutions. In 1985, we wrote to some 60,000 institutions and filled approximately 5,000 requests for supplemental educational material. In 1986, we wrote to 80,000 institutions and will fill at least 6,000 orders. In 1987, we will write back to those 6,000 institutions, building our relationship by helping them expand their programs. We also will write to some 80,000 other civic, religious, military and educational institutions. In 1987, we may well service some 10,000 individual institutions.

For the past two years, we have also sponsored a high school writing contest on Holocaust themes, and anticipate continuing this program in 1987. We believe this outreach effort is an integral component to the Council's program and in the 1985 words of President Reagan, "Our pledge was more than 'Never again...' It was also 'Never forget.'"

Finally, the Council remains cognizant of its responsibility, under the law, to raise substantial funds from the private sector, for costs beyond those of bricks and mortar construction for which Federal appropriations are expressly prohibited. The major fund-raising campaign effort was launched in Fiscal Year 1984 and was bouyed by President Reagan's decision to serve as the Campaign's Honorary Chairman. The success of the campaign during the past Fiscal Year is clearly indicative that the efforts to build this living Memorial Museum is supported by people from all sectors of American life - religious, business and civic leaders; veterans; foundation officers; government officials and many others.

The Christian community, as individuals and institutions, is offering support. Non-Jewish ethnic Americans, such as Slavs, Poles, Gypsies and Armenians, are contributing to the effort. The nation's governors are also actively working to support the Museum through official fund raising events in their respective state houses. Those already held have resulted in substantial pledges at each, and thus far, more than 30 such events have been scheduled or committed.

Thank you and the rest of the Committee for your time and consideration of our Fiscal Year 1987 appropriation request.

Mr. **Yates**. All right. I take it you don't have an abbreviated statement?

Mr. **Talisman**. No, I don't. I think it is simple from the first few pages.

Mr. **Yates**. Not nearly enough, is it?

Mr. **Talisman**. It represents the equivalent of 29 full-time employees, which, in fact, is a combination, as we discussed last year, of the special need we had for a number of consultants relating to the planning of the construction of the museum.

Mr. **Yates**. Well, we will have more to say about that, too, the planning and construction of the museum.

MUSEUM EXECUTIVE BOARD

We have a letter from Mr. Abramson addressed to Mr. Wiesel. It says—I'll put this letter in the record—"I am in the process of setting up a private office at Washington Square for the Museum Executive Board. All employees and consultants of the Board will be "private" and non-governmental, and will be paid out of campaign funds."

Mr. **Talisman**. That relates to construction, yes.

Mr. **Yates**. I read this. I thought you said you had employees for the Council who will be working on construction as well?

Mr. **Talisman**. They relate to the construction because they are, for example, all of the consultants relating to archival activity which is not covered by Mr. Abramson's letter. All the educational employees are not related in his letter. What he is dealing with there is the interior design team, and that is, in fact, what he is dealing with.

Mr. **Naftalin**. And the architects.

Mr. **Talisman**. All purely construction-related people and the interior design people. The education and the content people are not related to Mr. Abramson. I would love to have you look at this because I asked for it to be drawn up specifically for this conversation.

FTE UTILIZATION

Mr. **Yates**. This is the FTE utilization, correct?

Mr. **Talisman**. Yes. I don't have an extra copy.

Mr. **Lynch**. Here it is.

Mr. **Talisman**. You see down here on the second page, after the consultants, all equivalency equal 5 FTEs, but it is combinations—

Mr. **Yates**. Who are the consultants?

Mr. **Lynch**. Specifically by name?

Mr. **Talisman**. Would you like that, Mr. Chairman?

Mr. **Yates**. Certainly.

Mr. **Talisman**. As we discused last year, we have a rather unique problem in dealing with the best scholars whose services we can obtain who we do not want to employ full time. There is no need to.

Mr. **Yates**. We asked that same question last year. Do you remember what your answer was?

Mr. **Talisman**. The answer is why I drew this sheet up this time to make it more graphic.

Mr. **Yates**. This is on consultants specifically. I asked you who were the consultants. "Would you place in the record the kind of consultants that you have been hiring and what you contemplate having to hire during the next fiscal year." The reply was, "The

Council has been fortunate to utilize the skills of nationally and internationally recognized experts . . ." Who are they?

Mr. TALISMAN. I will supply that for the record.

Mr. YATES. That is what you were supposed to supply for the record last year.

Mr. TALISMAN. I guess the misunderstanding was the types. We will be happy to supply the names.

Mr. YATES. All right.

Mr. TALISMAN. That is why I wanted you to have that list at least to start, because I think it does explain it.

[The information follows:]

Consultants and Experts Employed Fiscal Year 1985

Name	Function/Project	Daily Rate
Molly Abramowitz	In-House Archives	$250.00
Kay Ackman	Education Specialist	100.00
Frederica Adelman	Historical Preservation	80.00
David Altshuler	Holocaust Education	245.00
Zachary Baker	Library Planning	166.00
Kevork Bardakjian	Armenian Themes Research	150.00
Jonathan Bush	Legal Counsel	194.00
Brewster Chamberlin	Archive Planning	240.00
Marilyn Feingold	Education Specialist	150.00
Sharon Freed	Legal Counsel	190.00
Marion Gladney	Evening of Commemoration	254.00
Norman Gladney	Evening of Commemoration	254.00
A. Isdebsky-Pritchard	Artifacts Planning	240.00
Leon Jick	Historian/Exhibit Concepts	263.00
David Jones	Systems Analyst	252.00
Aviva Kempner	A/V Resources	200.00
Hillel Kieval	Holocaust Encyclopedia	150.00
Isaiah Kuperstein	Public Education	145.00
Barbara Levine	Graphics Design	222.22
Hillel Levine	Holocaust Chronologies	245.00

Consultants & Experts, FY 1985 (Cont'd)

Name	Function/Project	Daily Rate
Josef Lustig	Photo Archives Planning	140.00
Nina McGarry	Bookkeeper	180.00
Jane Merkin	Days of Remebrance Outreach	192.00
Sybil Milton	Archive Research	252.00
Thomas Pallos	Architectural Competition	252.00
Wolf Pasmanik	Historical Translation	50.00
Eliahu Pfefferkorn	Research Coordination	21.47 p.h.
Seymour Rossel	Holocaust Curriculum	252.00
John Ruskay	Public Education	250.00
Seymour Siegel	Museum Content	263.00
Diane Sternberg	Campaign Development	192.00
Nechama Tec	Righteous People Research	150.00
Gabrielle Tyrnauer	Gypsies Research	150.00
David Weinstein	Campaign Management	252.00

Consultants and Experts Employed Fiscal Year 1986

Name	Function/Project	Daily Rate
Robert Abzug	Writer/Researcher	134.00
Jonathan Bush	Legal Counsel	44,658 P.A.
Marilyn Feingold	Education Specialist	150.00
Norman Gladney	Production	254.00
Leon Jick	Museum Content	263.00
Barbara Levine	Graphics Design	222.22
Josef Lustig	Photo Archivist	140.00
Jane Merkin	Days of Remembrance Outreach	225.00
Sybil Milton	Archive Research	252.00
Wolf Pasmanik	Historical Translation	50.00
Carol Rittner	"Other Victims" Conference	100.00
Yale Roe	Museum Content	263.00
Alan Steinweiss	Liberator's Manuscript	80.00

Mr. YATES. Who are the—did you want to make a statement?

Mr. TALISMAN. I don't want to make a statement. I do want to make a point about Mr. Abramson's letter because I agree fully with the full meaning of his letter, which is to say all of the design-related activities in regard to that building are being pooled into a private office. That does not in any way depreciate the Federal responsibility here as regards what we have agreed to with this committee, and that is all of the related activities would be Federal responsibility. I think Mr. Abramson would agree with that. Educational, archival, and so on.

Mr. YATES. Not the architectural delineation?

Mr. TALISMAN. No, because there is a dovetailing. Mr. Silver, who will be the leader of the design concepts, will be pulling all that together, pulling part of it from the Federal. We had long meetings on this subject and there is general agreement among all the folks involved.

Mr. YATES. What kind of agreement?

Mr. TALISMAN. That is the plan as delineated in Mr. Abramson's letter. What is interesting about it is there is an analogy which I think is useful, and I went into it at length, and that is with regard to the construction of the project, which I dare mention here, that is the Quadrangle project. The Quadrangle project took somewhere in the neighborhood of a team of 150 people to pull together all aspects of the construction of that museum, which meant content as well as the architectural aspects.

Mr. YATES. Is that why it hasn't been pulled together?

Mr. TALISMAN. That I can't answer. My understanding is it is actually being built.

Mr. YATES. I don't mean the Quad. Is that why the Holocaust Museum hasn't been built yet?

Mr. TALISMAN. We are behind schedule, but I feel confident, with the team leader in place that all that will be brought together. That is what that letter represents.

Mr. YATES. Off the record.

[Discussion off the record.]

SENATE COUNCIL MEMBERS

Mr. YATES. Let me review last year's hearing. No, let me ask a question first. Who are the Senators who are members of the Council?

Mr. TALISMAN. Senator Dole, as you know, has taken himself off when he became majority leader.

Mr. YATES. I didn't know that.

Mr. TALISMAN. He, therefore, committed himself to remain involved more actively in regard to the campaign. In fact, he has kept that up. Senator Pell and Senator Lautenberg, Paula Hawkins and Mack Mattingly were appointed by the majority leader.

Mr. YATES. When were they appointed?

Mr. TALISMAN. Over the last three months when Senator Dole removed himself. Senator Dole has been true to his word, actively taking speaking responsibilities on behalf of the campaign. I would like to, if I might, Mr. Chairman, just wrap up something of concern that has been the concern of the subcommittee for the last two years.

Mr. YATES. Before you go on to that, with respect to the senatorial appointments that have just been made, I filed together with several other members of the Council, a resolution requesting the use of the Rotunda for Days of Rememberance, and I was told Senator Hawkins filed a similar bill. I wondered whether she had cosponsors.

Ms. **Craig**. The four members of the Council cosponsored it.

Mr. **Yates**. Messrs. Kasten, Mattingly, Pell and Lautenberg all joined, right?

Ms. **Craig**. Yes, sir.

Mr. **Talisman**. There doesn't seem to be a problem, I hope.

Mr. **Yates**. I don't see any problem.

NATIONAL ARCHIVES PROJECT

Mr. **Talisman**. I wanted to follow through on the National Archives project, which was successfully included in last year's appropriation, due to the subcommittee's efforts. I wanted a specific delineation I thought would be useful to put in the record. I have it here before me and I would be happy to give it to you. The point is an interagency agreement had to be signed between Archives and GSA, and that was done with us, and there is a person on board, two technicians on board I should say, and it is in full stream now and they are in the process of hiring an archivist.

Mr. **Yates**. Who is "they"?

Mr. **Talisman**. This is an interagency group working together. It takes the cooperation of the GSA, the National Archives and the Holocaust Memorial Council. One of the interesting pieces, I hope, which will come to fruition requires a coordination, I understand, that we want to start computerizing as we start the project so we don't have to do things twice.

Mr. **Yates**. Who is going to computerize it?

Mr. **Talisman**. What we do is coordinate it with what we are doing computerwise in relation to our general activities so we don't have to do it twice.

Mr. **Yates**. How many do you have?

Mr. **Talisman**. As far as I know, it is going to be one.

Mr. **Yates**. Do you have a computer?

Mr. **Talisman**. It will be functioning very shortly. I just wanted to show you this list, because this is the time frame for what has happened already, according to when the money was made available after the continuing resolution was signed.

Mr. **Yates**. Last year, Mr. Lynch projected a three-year plan of $135,000. It isn't in the budget this year.

Mr. **Talisman**. It is $129,000. I am sorry, I stand corrected. OMB took it out.

Mr. **Yates**. There is no money for it?

Mr. **Talisman**. OMB took it out.

Mr. **Yates**. You don't even have an authorization?

Mr. **Talisman**. Is that correct?

Mr. **Naftalin**. We are in the same position we were last year. You put it in for the first year; they took it out.

Mr. **Yates**. We had a rule to protect it last year. You haven't been authorized since the 1980 bill, have you? How long an authorization did 1980 provide?

Mr. **Talisman**. A five-year authorization.

Mr. **Naftalin**. You have increased the authorization.

Mr. **Yates**. You were authorized a five-year appropriation?

Mr. **Naftalin**. It was a straight three-year.

Mr. **Yates**. So you have not been authorized for three years.

Mr. **Naftalin**. We have not been authorized by the authorizing subcommittee.

Mr. **Yates**. I called Mr. Udall this morning to find out. He said—I think he wrote a letter that may go into the record at this point, dated March 13, 1986. He sent me a copy of it, in which you requested authorization to be made by the Congress and that the matter be reserved, a resolution be referred to the appropriate committee.

[The letter follows:]

March 13, 1986

The Honorable Thomas P. O'Neill, Jr.
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed is a draft bill to authorize appropriations to carry out the programs of the United States Holocaust Memorial Council.

We recommend that the bill be referred to the appropriate committee for consideration, and that it be enacted.

Public Law 96-388, October 7, 1980 (36 U.S.C. 1401), provides for the establishment of the United States Holocaust Memorial Council to provide appropriate ways for the Nation to commemorate Days of Remembrance, plan, construct, and oversee the operation of a permanent living memorial museum to the victims of the Holocaust, and develop a plan for carrying out the recommendations of the President's Commission on the Holocaust. Section 8 authorized $722,000 for Fiscal Year 1981; $800,000 for Fiscal Year 1982; and $850,000 for Fiscal Year 1983, to carry out the purposes of this Act. Public Law 99-190 provided net appropriations in the amount of $2,112,000 for Fiscal Year 1986.

The enclosed draft bill would amend the appropriation authorization in Section 8 of the United States Holocaust Memorial Council Act (Public Law 96-388, as amended; 36 U.S.C. 1401) to authorize an appropriation of $2,057,000 for Fiscal Year 1987, and such sums as are necessary for Fiscal Year 1988.

Such an authorization and appropriation would enable the Council to carry out its responsibilities through September 30, 1987, as provided in the President's 1987 budget. The amended authorization is necessary to the planning of the living memorial museum, continued observance and expansion of Days of Remembrance, as well as the preservation and development of research and documentation of the Holocaust.

The Council has made measurable progress in carrying out its mandated responsibilities since its inception in 1981. It is anticipated that the requested funding level for 1987 will allow each of its components to proceed with their program responsibilities to meet the ultimate objectives of the Council.

The Office of Management and Budget advises that enactment of this proposal would be in accordance with the program of the President.

A similar letter is being sent to The Honorable George Bush, President of the United States Senate.

Sincerely,

Micah H. Naftalin

Acting Executive Director

enclosure

bcc:
USHMC-Surname
USHMC-File
USHMC-Craig
NCR-R-Fish
NCR-A-Betts
NCR-AF-Sturiale
NCR-RDSA-Lynch
NCR-RDSA-File

SELynch:jks:2-03-86:ONEILL-ONEILL1

bcc:
The Honorable Sidney Yates
House Subcommittee on Interior
and Related Agencies

A BILL

To authorize appropriations to carry out the programs of the United States Holocaust Memorial Council.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that part of section 8 of the Holocaust Memorial Council Act (Public Law 96-388; as amended; 36 U.S.C. 1408) which precedes the proviso is amended to read as follows:

"There is authorized to be appropriated to carry out the purposes of this Act $2,057,000 for the Fiscal Year 1987 and such sums as may be necessary for Fiscal Year 1988."

Mr. **Yates**. The question I should like to ask you is what the bill contains, because my copy didn't contain a copy of the resolution. And all that you have done—I now see the bill you want, and what you have done is just asked for an extension of the authorization and an appropriation of $2,057,000 for 1987 and such sums as may be necessary for fiscal year 1988. Does that mean you didn't want any changes in the legislation at all? Did anybody review the legislation?

Mr. **Talisman**. There were several major requests. OMB knocked out the continuation of the Archives.

Mr. **Yates**. We are not talking about that. We are talking about the legislation, the requested authorizing legislation. The question I should like to ask is, are there no changes in the legislation that you think would be pertinent?

Mr. **Talisman**. At this point, no.

Mr. **Yates**. Mr. Udall says it is okay for me to go ahead with authorization.

Mr. **Talisman**. It is? Well, there were two amendments we did submit.

REPRESENTATIONAL AND REVOLVING FUNDS

Mr. **Yates**. One of which you wanted representational expenses for only $9,000. The Department of the Interior gets $10,000.

Mr. **Talisman**. Is that true?

Mr. **Yates**. Yes.

You must do a lot of entertaining.

Mr. **Talisman**. No, I do not. Let the record be clear. The revolving fund is critical.

Mr. **Yates**. For the representation?

Mr. **Talisman**. No, the revolving fund is a separate amendment, which relates to the ability to recover revenues from publications.

Mr. **Yates**. That may go into the record, the request of the Council as made in the letter dated April 14, 1986, signed by Mark Talisman. It may go into the record at this point.

[The information follows:]

United States Holocaust Memorial Council

Office of the
Vice Chairman

April 14, 1986

The Honorable Sidney Yates
Chairman
Appropriations Subcommittee on
  Interior and Related Agencies
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In addition to my prepared remarks for this afternoon's hearing, I plan to submit for the Committee's consideration two technical amendments to our statute designed to facilitate our activities. Neither amendment would require an increase in our appropriation level. I regret this "eleventh hour" notice to you, but I've been in Montreal for several days, until this morning, and I had thought the hearing was going to be postponed.

The first of the proposed amendments would authorize the establishment in the Treasury of an interest-bearing U.S. Holocaust Memorial Education Revolving Fund. As you know, the Council produces and disseminates informational and educational materials and media on Holocaust subjects. Days of Remembrance publications are one example. Under present law, we can charge for these publications, but the proceeds of the sales must be deposited in the Treasury as "miscellaneous receipts" and are lost to the Council. Under our proposed amendment, revenues from the sale of educational materials and media on the Holocaust would be deposited in the revolving fund and would be permanently appropriated to the Council to produce additional copies for sale, expand dissemination of popular editions, revise existing materials, and create new ones.

In addition, we find occasionally that we have priority requirements that cannot be timely met by the Government Printing Office. In such cases, the proposed amendment would afford us relief from the requirement to use GPO.

The second proposed amendment would authorize the Council to incur representational expenses upon the authorization of the Chairman or Executive Director. A number of departments and agencies, including the Department of State, Department of Agriculture and U.S.I.A., have statutory authorization to pay representational expenses. Increasingly, the Council has been hosting visiting national and international dignitaries in connection with

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Days of Remembrance and other Council events, engaging in international interchanges at home and abroad with foreign government officials and private citizens (examples include the International Liberators Conference and the Faith in Humankind Conference), and establishing official relationships with American and foreign museums and archives and foreign governments. In these and similar instances, the Chairman or Executive Director would be authorized to pay the expenses of official meals and receptions, appropriate hospitality for foreign and domestic officials and guests, as well as necessary and reasonable travel expenses in excess of the standard per diem rate. We propose that these funds be drawn from within the existing appropriations request and that they not exceed $9,000.

The proposed amendments, together with suggested report language, are attached.

Warmest personal regards.

Sincerely,

Mark/ svr

Mark Talisman

Attachments

Proposed Amendments To Public Law 96-388, As Amended

Public Law 96-388, as amended (36 U.S.C. 1401 et. seq.) is further amended by adding the following new sections at the end of 36 U.S.C. 1410:

"Establishment of Revolving Fund

a. There is established in the Treasury of the United States an interest-bearing account to be known as The United States Holocaust Memorial Education Revolving Fund which shall be available to the United States Holocaust Memorial Council without fiscal year limitation for the preparation, production, and publication of educational materials and media on the Holocaust and related subjects for sale and distribution to the public.

b. The Fund shall consist of (1) revenues from the sale of such materials and media and (2) interest earnings on the Fund.

c. Notwithstanding any other provision of law, the Council shall not be required to procure production, publication, printing, or binding services from the Government Printing Office.

d. An adequate system of accounts for the Fund shall be maintained on the accrual method, and financial reports prepared annually on the basis of such accounts. The Executive Director shall include such financial report in his annual report to the Congress. An annual business type budget shall be prepared for operations under the Fund.

Representational Expenses

The Chairman and Executive Director may pay representational expenses to provide for the proper representation of the Council in carrying out, and to further, the purposes of section 1401 of this title."

Proposed Report Language

"Two new sections are added at the end of 36 U.S.C. 1410. The first section establishes in the U.S. Treasury an interest-bearing revolving fund to be known as The United States Holocaust Memorial Education Revolving Fund. The Fund is intended to enable the Council's production and sale of educational materials and media on the Holocaust to become self-sustaining. The Fund shall consist of revenues from the sale of such materials and media, together with interest earnings. Such funds are permanently appropriated for the preparation, production and publication of educational materials and media on the Holocaust and related subjects for sale and distribution to the public. Subsection c. authorizes the Council to procure production, publication, printing, and binding services outside of the Government Printing Office. Subsection d. requires the Council to maintain an adequate system of accounts using the accrual method of accounting, to prepare an annual financial report on the Fund and to include such report in the Executive Director's annual report to the Congress. Subsection d. further requires the Council to prepare an annual business type budget for operations under the Fund.

The second section authorizes the Chairman and Executive Director to pay for representational expenses to provide for the proper representation of the Council in carrying out, and to further, the purposes of 36 U.S.C. 1401. Increasingly, the Council has been hosting visiting national and international dignitaries in connection with Days of Remembrance and other Council events, engaging in international interchanges with foreign government officials and private citizens, and establishing official relationships with American and foreign museums and archives and foreign governments. In these and similar instances, the Chairman and Executive Director are authorized to pay expenses to properly represent the Council."

Mr. **Talisman**. The justification regarding the representational funds exists from the Chairman and Executive Director where they felt it was required——

Mr. **Yates**. Who does the hiring and firing of your employees?

Mr. **Talisman**. The Executive Director in consultation with the Chairman.

Would you like a listing of the employees by name, Mr. Chairman?

Mr. **Yates**. Yes. That goes into the record.

Mr. **Lynch**. Consultants——

Mr. **Yates**. And how much they receive.

[The information follows:]

Fiscal Year 1986 Employee List

Permanent Full Time Positions

Position	Status	Per Annum Salary
Executive Director	vacant	$68,700
Secretary	Rosemarie Carey	28,011
Senior Deputy Director	Micah H. Naftalin	68,700
Secretary	Helen Chittick	21,804
Assistant Director, Operations	Marian Craig	34,781
Secretary	Sillette Sheler	12,862
Assistant Director, Communications	Marcia Feldman	47,392
Secretary	Michele Booth	20,794
Assistant Director, Education	Isaiah Kuperstein	37,599
Senior Archivist	Brewster Chamberlin (Acting)	43,160
Secretary	Wanda Cowans	21,714
Assistant Director, Research	Eliahu Pfefferkorn	44,658
General Counsel	Sharon Freed	44,430
Systems Analyst	vacant	31,619
Accounting Technician	vacant	17,824

Temporary Full Time Positions

Position	Status	Per Annum Salary
Education Specialist	Kay Ackman	26,381
Archivist	vacant	26,381

Fiscal Year 1986 Employee List (Cont'd)

Consultants

Name	Function/Project	Daily Rate
Robert Abzug	Writer/Researcher	$134.00
Jonathan Bush	Legal Counsel	44,658 P.A.
Marilyn Feingold	Education Specialist	150.00
Norman Gladney	Production	254.00
Leon Jick	Museum Content	263.00
Barbara Levine	Graphics Design	222.22
Josef Lustig	Photo Archivist	140.00
Jane Merkin	Days of Remembrance Outreach	225.00
Sybil Milton	Archive Research	252.00
Wolf Pasmanik	Historical Translation	50.00
Carol Rittner	"Other Victims" Conference	100.00
Yale Roe	Museum Content	263.00
Alan Steinweiss	Liberator's Manuscript	80.00

Mr. YATES. In your statement last year, Mr. Talisman, you said—I quote from your statement:

"With the help of expert consultants from the United States and abroad: we are developing the final outline of our permanent exhibit design approach . . ." Has that been done?

Mr. TALISMAN. That's almost completed now, Mr. Chairman, yes. That is the major——

Mr. YATES. Is that the so-called Silver report?

Mr. TALISMAN. That is right.

Mr. YATES. May we have a copy of that for our files?

Mr. TALISMAN. You sure may.

HOLOCAUST ENCYCLOPEDIA

Mr. YATES. You say, ". . . we are completing plans for a prototype demonstration in 1986 of the elements of an international, automated archival system for locating Holocaust materials residing in all the important Holocaust centers, museums and repositories . . ." Has that been done?

Mr. TALISMAN. It is almost finished, almost completed. We are ready for a demonstration probably the end of this year, within this fiscal year.

Mr. YATES. ". . . we are developing, with the assistance of the University of Maryland, a novel and exciting approach to museum education involving a computer-assisted, interactive Holocaust encyclopedia . . ."

Mr. TALISMAN. That is done, ready for review.

Mr. YATES. Does that mean the University of Maryland was a consultant?

Mr. NAFTALIN. Yes.

Mr. TALISMAN. It was under a contract with them, yes.

Mr. YATES. ". . . we are nearing completion of a demonstration model of a multi-media presentation of a significant Holocaust subject . . . in this case, the fate of the Riga Ghetto." Has that been done?

Mr. TALISMAN. It is done.

CONSTRUCTION

Mr. YATES. You say, "With the scheduled beginning of construction, fiscal year 1986 will see the culmination of a carefully staged, five-year planning effort to create the United States Holocaust Memorial Museum." Has that been done?

Mr. TALISMAN. We are behind schedule, but that is in process and should come together in the next two to three months.

Mr. YATES. When is construction scheduled to begin?

Mr. TALISMAN. We estimate the beginning of construction—the two estimates I have is by the end of May and the realistic one is the beginning of autumn.

Mr. YATES. You don't have designs or specs yet for the museum?

Mr. TALISMAN. That is why I am saying——

Mr. YATES. Can you get them in three months?

Mr. TALISMAN. That is what we were told at the conclusion of the last meeting of the executive meeting. We felt, at the very latest, October 1. That is what we are hoping for.

Mr. YATES. You say, "By contemporary standards, five years is not a long planning period for a new and important "world class" historical museum and indeed, planning and realization of the interiors of the museum—especially the exhibitions and the educational content will continue into the outyears while physical construction is underway." Does that make sense?

Mr. **TALISMAN**. Yes.

Mr. **YATES**. I thought you wanted to know what was going into the building before you construct?

Mr. **TALISMAN**. The activities we are conducting right now, what the broad outlines will be, we hope, specifically down to the smallest details. I hope——

Mr. **YATES**. The report doesn't go into the smallest details?

Mr. **TALISMAN**. The next stage does, and he is committed to that. Presumably, we are going to evolve. Even though we have the details, they are going to change. That is one of the difficulties we have here, is that some of the things that have been done we thought were good, and they turned out not to be satisfactory, so we changed them.

Mr. **NAFTALIN**. There are also elements of the museum not covered in the Silver report, but nevertheless planning is going forward and will continue, like the Archives, at the library, and the cultural programs.

Mr. **TALISMAN**. We had a dispute that was very interesting. There was a discussion that went on almost everyone agreed upon except the critical expert, and that is the library should be 70,000 to 75,000 volumes to be a relevant library. It was indicated 200,000 was the minimum and the whole of the plan changed, and he was right.

Mr. **YATES**. After saying that you are planning to determine the specific configurations of the exhibit, archival and so forth, material, you say, ". . . Federal expenditures are essential to continue the detailed planning required to make this a truly national 'living memorial.' " Why is this to come from Federal expenditures?

Mr. **TALISMAN**. I think that was the agreement from the beginning, Mr. Chairman, as long as the construction itself was to be paid for with private funds. We had that discussion consistently.

Mr. **YATES**. You say Federal expenditures are necessary to continue the detailed planning. I thought the funds for planning were to come out of——

Mr. **TALISMAN**. No, in the original legislation, that is exactly what is covered in the original legislation. The execution is prior to May.

Mr. **YATES**. Then you say ". . . a corollary to these program planning efforts is the responsibility to oversee the work of the architectural and construction firms." How can you do that? I know that is in the statute, but how can you do that?

Mr. **TALISMAN**. It is somewhat altered because of Mr. Abramson's desire to put the team in a private office. I mean that, and I agree with that. He feels that to do the kind of work that must be done in actual construction, that that has to be under one team leader on a private basis. That is what his professional judgment is, and I can't second guess him on that. That is different than what we talked about before.

Mr. **YATES**. You don't have a team leader yet, do you?

Mr. **TALISMAN**. No, we don't, but that is the idea.

Mr. **YATES**. You go on to say, "Inasmuch as the construction of the building will be funded by the private philanthropy of the

American people, it is essential to the public interest that their concerns, desires and visions be protected with the support of a limited Federal full-time staff, members of which will assist the Council to monitor and oversee the project."

Mr. **Talisman**. Ultimately, while it is privately paid for, it is still a public responsibility. And one of the dilemmas we faced at the beginning, if you remember, is a dilemma all too apparent to some of us from the experience of the Anne Frank house in Amsterdam, with changing private boards of trustees that changed the whole aim of the whole museum after it left government responsibility.

Mr. **Yates**. You are asking for 29 full-time equivalents this year. Last year you said this—you are talking about a limited full-time staff.

"Mr. **Yates**. What would the size of the staff be?"

"Mr. **Talisman**. Are you talking about the next fiscal year?"

"Mr. **Yates**. Yes, the whole cost necessary for your staff size."

"Mr. **Naftalin**. The full-time——"

"Mr. **Yates**. You don't have a Director at the present time, you are the Acting Director?"

"Mr. **Naftalin**. Yes. I am normally the Deputy Director. We are thinking of essentially a flat—there is no significant change in the full-time staff. It runs about 12 to 13."

Mr. **Talisman**. Full-time. That is where we get into the difficulty, because if the equivalency of the consultants involved, there are a large number of people brought on for a short period of time because of expertise relating to the Federal responsibility of content, archives, educational, all those matters that are not private.

Mr. **Yates**. You gave us this list. How many are full-time and how many are part-time? What I want is, you can't put the substitutes in for the full-time players in one report. I'm trying to find out who were the permanents, who are the temporaries and what do each of them do.

Mr. **Talisman**. I know five are consultants adding up to five full-time. That much I know. And the rest, as far as I know, are permanent employees.

Mr. **Yates**. I must say the committee is still not clear on how you are going to sever the expenses of the construction, at what point you draw the lines and say this is overseeing and this is construction.

Mr. **Talisman**. What I would like to do, in light of this new letter you got from Mr. Abramson——

Mr. **Yates**. Have you seen this?

Mr. **Talisman**. No, it was not shared with me. It was sent directly to the chairman. But what I would like to do is put that distinction in writing.

[The information follows:]

United States Holocaust Memorial Council

Office of the
Chairman

April 16, 1986

The Honorable Sidney Yates
Chairman
Subcommittee on Interior and Related
  Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20510

Dear Mr. Chairman:

I understand that during the Council's appropriations Hearing on Monday, you entered into the Hearing record a letter dated March 26, 1986 from Albert Abramson to me concerning appointment of a museum executive board. I also understand that you are holding the Hearing record open pending a report on actions taken by the museum executive board at a meeting scheduled for today.

Allow me to clarify the facts for the record. At the meeting referred to in Mr. Abramson's letter, it was understood that I would not officially appoint a museum executive board until the White House announced the Presidential appointments of the Chairman, Vice Chairman, Executive Director, and nine Council members. Moreover, that meeting, as well as the meeting scheduled for today, were informal, and for the purpose of planning in anticipation of the creation of a museum executive board.

I am committed to accelerating the establishment of the memorial museum, and to opening its doors in 1988, if at all possible, or 1989, at the latest. Thus, time is of the essence.

With kindest personal regards.

Sincerely,

Elie Wiesel

cc: The Honorable Mark Talisman
    The Honorable Sigmund Strochlitz
    The Honorable Miles Lerman
    Mr. Albert Abramson
    Mr. Theodore Lerner
    Mr. Robert Mendelsohn
    Mr. Harvey Meyerhoff

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Mr. **Yates.** I would like for the distinction to be made for the committee too.

You say, "In fiscal year 1986, the planning of museum exhibit content will be sufficiently mature so the planning of curatorial acquisition can commence."

Mr. **Talisman.** As a matter of fact, it is a major policy consideration right now on acquisition, because we are being offered major opportunities right now.

Mr. **Yates.** You say, ". . . Fiscal year 1986 will see the beginning of recruitment of a small permanent core staff of professionals who will provide continuity and oversight until completion and opening of the museum in calendar year 1989."

Mr. **Talisman.** I should make one other statement, which I am almost hesitant to make, but I'm assured by three people now they are looking for opening 1988, the end of 1988, and everything else stands the same.

Mr. **Yates.** "During FY 1986, the Council and its committees will periodically oversee the final stages of the facility planning."

Mr. **Talisman.** And the initial reports you have seen are going before the Council the beginning of May.

OTHER GOVERNMENT AGENCIES

Mr. **Yates.** In your statement, you talk about the help you received from the Smithsonian, the National Archives, the Library of Congress, the Department of Justice, the Office of the Secretary of the Interior, the GSA, the Office of Management and Budget, and the NPS. Would you put a statement in the record showing what each of them has done for you?

Mr. **Talisman.** Yes, we would be happy to.

[The information follows:]

Cooperative efforts provided by other agencies.

The State Department provided the site for our two previous international conferences. Justice detailed a team of lawyers when we had no counsel in 1982-83; Smithsonian assisted in our conference concerning exhibiting horror to young children; and it's General Counsel's Office often consults with our Counsel. We have a cooperative project with the National Archives. We also enjoy a close consultation relationship with the Commission on Fine Arts and the National Capital Planning Commission. Finally, the Department of Interior and the National Park Service provide substantial support, both reimbursed and nonreimbursed.

FUNDRAISING

Mr. **Yates.** We asked you how much money has been raised for construction of the museum.

Mr. **Talisman.** The total money in hand or pledged at this moment is approaching $28 million.

Mr. **Yates.** How much money is in hand?

Mr. **Talisman.** $23 million, as far as I know, but I am not positive.

Mr. **Naftalin.** In cash pledges——

Mr. **Yates.** How much cash?

Mr. **Talisman.** We have raised about $4 million in pledges.

Mr. **Yates.** How good are the pledges?

Mr. **Naftalin.** By and large, they are five-year pledges, and they are quite current with respect to——

Mr. **Yates.** You have raised $4 million. I thought there had been several million dollars——

Mr. **Talisman.** Those are all signed pledges and they are ongoing, I think there are 26 gubernatorial events of which four have taken place already and the rest are in the planning and execution stage, each of which is, at a minimum, $1 million.

Mr. **Naftalin**. There would be another 20 in the pipeline we are not counting.

Mr. **Yates**. Have you checked with some of the other organizations to see how valid signed pledges are?

Mr. **Talisman**. Yes.

Mr. **Yates**. Are you figuring on 100 percent?

Mr. **Talisman**. Yes. In this case, they are signed pledges and have legal consequences.

Mr. **Yates**. So you will use them?

Mr. **Naftalin**. Keep in mind the nature of our campaign so far. Most of these pledges are people who have signed on to help us raise money. It is not quite as arm's length a group of pledgers as some campaigns.

CONTRACTS

Mr. **Yates**. This showed you paid the University of Maryland $50,000 for their consultant work.

Mr. **Talisman**. Yes.

Mr. **Yates**. How much do you pay other consultants?

Mr. **Talisman**. We can get a list.

Mr. **Naftalin**. That is a contract now. They are consultants, but——

Mr. **Talisman**. It was a product, a full product.

Mr. **Yates**. How many others do you have?

Mr. **Naftalin**. Two or three. We have one with a computer consultant firm.

Mr. **Lynch**. We have numerous contracts for small purchases all the way up to large purchases in excess of $25,000.

Mr. **Yates**. What are you buying with that when you talk about small purchases, paperclips and that sort of thing?

Mr. **Lynch**. All the way up to computer hardware equipment for interagency support.

Mr. **Naftalin**. The University of Maryland contract included work done by professors in both the history and the computer sciences department who worked together on that project.

Mr. **Lynch**. Production of "A Ghetto" was also a contract.

Mr. **Yates**. How much did that cost?

Mr. **Lynch**. Right at about $30,000.

Mr. **Yates**. Do you do bidding on contracts of this kind?

Mr. **Lynch**. Yes, sir.

Mr. **Yates**. How much will the building cost, the new memorial building?

Mr. **Talisman**. The best estimate we have gotten from Mr. Abramson is a maximum of $30 million, probably $28 million. What he has indicated is a lot of those participating in the building will be giving construction-related supplies at cost, so it is the equivalent of a much more expensive work. What is nice is that he has received promises from participants, including his colleague, Mr. Sigal, who are working at no cost to the Government, including himself.

Mr. **Yates**. Last year, I asked whether you knew what the operating expenses would be, and you said——

Mr. **Talisman**. We do not. We still don't know, in all honesty. I would be afraid to guesstimate until we have a plan to be able to show the committee.

Mr. **Yates**. Last year, I asked you when your architectural planning would be completed.

Mr. Notter said, we have finished the very preliminary design, we would expect to have what we call the design development phase done by fall. That would enable us to start some parts of construction, but also would enable all the engineering parts to come together to begin to deal more with the budget, and hopefully, the inside exhibit work would come together."

Mr. **Talisman**. That last piece is what has been holding us up, is getting the interior done——

Mr. **Yates**. It hasn't been done?

Mr. **Talisman**. No, it is not complete. The first part—as you know, the appropriate authorities in Washington have looked at the design, which is new from last time.

Mr. **Yates** [reading]: "Mr. **Yates**. Are you going to hire any engineers or architects or——"

"Mr. **Naftalin**. Not out of this budget."

"Mr. **Yates**. That is coming out of the private funding?"

"Mr. **Naftalin**. Yes."

Is that correct?

Mr. **Talisman**. That is correct, and that is under the agreement Mr. Abramson referred to in his letter. That is the provision in the law.

COUNCIL MEMBERS

Mr. **Yates**. Last year, I asked you, "How many members of the Council are there?" Mr. Naftalin replied, "There are 65."

Mr. Yates said, "That is a great many."

Mr. Talisman said, "It was increased."

Mr. **Talisman**. I don't think it is ended yet, Mr. Chairman.

Mr. **Yates**. What is the state of it? How many members' terms expired in January?

Mr. **Talisman**. Ten.

Mr. **Yates**. Have the new members——

Mr. **Talisman**. I'm sorry, 11. The new members have not been appointed yet.

Mr. **Yates**. Has the new director been appointed?

Mr. **Talisman**. The new director has not been announced.

Mr. **Naftalin**. They are waiting for the whole package.

Mr. **Yates**. How long do they intend to wait?

Mr. **Talisman**. We would be well to address the question to the White House.

Mr. **Yates**. Do you recommend the committee do that?

Mr. **Naftalin**. They were waiting for FBI clearances and various things of that sort.

Mr. **Yates**. And then I asked you, "You still have an Executive Committee?" Mr. Talisman said, "Yes. There are 10 people." Now, are any of the 10 no longer members?

Mr. **Talisman**. Yes.

Mr. **Naftalin**. They are still members.

Mr. **Talisman**. That is not particularly true either. The fact of the matter is some of the members of the Executive Committee are not members of the Council. I think that is what the question is.

Mr. YATES. Let's see who we scratched. Elie Wiesel.
Mr. TALISMAN. He is a member.
Mr. YATES. Irving Bernstein.
Mr. TALISMAN. Not a member.
Mr. YATES. Hyman Bookbinder.
Mr. TALISMAN. Not a member.
Mr. YATES. Norman Braman.
Mr. TALISMAN. Member.
Mr. YATES. Harry Cargas.
Mr. TALISMAN. Not a member.
Mr. YATES. Kitty Dukakis.
Mr. TALISMAN. Not a member.
Mr. YATES. Alfred Gottschalk.
Mr. TALISMAN. A member.
Mr. YATES. Herbert Katz.
Mr. TALISMAN. A member.
Mr. YATES. Julian Kulas.
Mr. TALISMAN. A member.
Mr. YATES. Miles Lerman.
Mr. TALISMAN. Member.
Mr. YATES. Benjamin Meed.
Mr. TALISMAN. Member.
Mr. YATES. Ruth Miller.
Mr. TALISMAN. Not a member.
Mr. YATES. Hadassah Rosensaft.
Mr. TALISMAN. Member.
Mr. YATES. Sigmund Strochlitz.
Mr. TALISMAN. Member.
Mr. YATES. Kalman Sultanik.
Mr. TALISMAN. Member.
Mr. YATES. Mark Talisman.
Mr. TALISMAN. Not a member.

Mr. NAFTALIN. Could I make a technical point? Members of the Council remain members until replaced.

Mr. YATES. The impression we have, then, is they are still members of the Executive Committee until they are replaced?

Mr. TALISMAN. Yes.

Mr. YATES. Even though you are a non-member, the chairman can make you a member of the Executive Committee?

Mr. TALISMAN. Yes, I understand.

FOREIGN TRAVEL

Mr. YATES. All right. Now, you say also you want to gain access to archival facilities and the following countries will be visited during fiscal 1986: Israel. Who visited Israel?

Mr. TALISMAN. Mr. Strochlitz.

Mr. YATES. And was repaid——

Mr. TALISMAN. It was a total success.

Mr. YATES. I don't know what that means.

Mr. TALISMAN. In terms of getting cooperation.

Mr. YATES. You mean in getting up there and back?

Mr. TALISMAN. He succeeded in his mission.

Mr. YATES. What was his mission?

Mr. TALISMAN. To gain cooperation from archival sources in Israel.

Mr. YATES. He couldn't do that with a phone call?

Mr. TALISMAN. No, absolutely not.

Mr. YATES. Does the committee pay for that?

Mr. NAFTALIN. I don't believe so.

Mr. TALISMAN. No.

Mr. YATES. All right.

What about France; who went to France?

Mr. TALISMAN. The chairman and Mr. Strochlitz.

Mr. YATES. The committee paid for that?

Mr. TALISMAN. No.

Mr. YATES. Italy?

Mr. TALISMAN. That hasn't been done. They are rather busy in Italy.

Mr. YATES. Czechoslovakia.

Mr. TALISMAN. I did. And I received word yesterday of total cooperation.

Mr. YATES. To do what? I don't know what total cooperation means.

Mr. TALISMAN. That means they have available one million microfilm frames which I suspect they will make available to us and to be able to share.

Mr. YATES. Relating to the Holocaust?

Mr. TALISMAN. Yes, that is right.

Mr. YATES. Hungary.

Mr. TALISMAN. Hungary has not been visited.

Mr. YATES. Romania.

Mr. TALISMAN. Romania has been visited twice by various members. There appears to be a possibility. No cost.

Mr. YATES. Bulgaria.

Mr. TALISMAN. Not visited.

Mr. YATES. Yugoslavia.

Mr. TALISMAN. Yugoslavia was agreed to originally.

Mr. YATES. Germany.

Mr. TALISMAN. Germany, the discussions are probably the most advanced and there is total cooperation.

Mr. YATES. Switzerland.

Mr. TALISMAN. Switzerland I'm not aware of any contacts at the moment.

Mr. YATES. England and Finland. Are you telling me there was no charge for these trips, to the Council?

Mr. TALISMAN. No.

Mr. YATES. Okay. Then you don't need any funds for travel, then, do you?

Mr. NAFTALIN. We will have to send staff people to make these things work.

Mr. YATES. Here you are requesting $85,000 for travel and transportation. Why do you need that much money?

Mr. TALISMAN. Those relate to what the Deputy Director just mentioned. First of all, that is staff travel, that is bona fide staff travel relating to carrying out the duties. We have a person, Mr. Chamberlin, who worked on the German archival activity as a professional. We have a number of Council members who do not have personal means to pay for their trips to Council meetings and so on. So that is what the funds have been for. We hope they won't all have to be expended.

1985 TRAVEL

Mr. **Yates**. How much money was spent in travel in 1985?

Mr. **Lynch**. 1985?

Mr. **Yates**. Yes. You don't have it for 1986 yet.

Mr. **Lynch**. I have the estimates for 1986.

Mr. **Yates**. Do you know what it was for 1985?

Mr. **Talisman**. Many of the members, as you know, do not ask for reimbursement.

Mr. **Yates**. That is what I am trying to find out.

Incidentally, why are Council meetings not always held in Washington? This is the——

Mr. **Talisman**. It is a convenience question. Mainly because the chairman and other members' schedules are such that we have to be able to run on their schedules.

Mr. **Yates**. Why is that? Why don't the chairman and other members arrange their schedules so they can come to Washington for the meetings?

Mr. **Talisman**. That will have to be addressed.

Mr. **Yates**. How can congressional members go to those meetings?

Mr. **Talisman**. I'll find out.

Mr. **Yates**. Will you take care of it?

Mr. **Talisman**. Yes.

Mr. **Yates**. The appendix to the budget for 1985 shows you spent $116,000 in 1985.

Mr. **Talisman**. For travel?

Mr. **Yates**. For travel and transportation of persons. That is actual expenditures.

Mr. **Lynch**. We are showing $90,000.

Mr. **Yates**. This is in the appendix to the budget.

Mr. **Lynch**. That is right. That is actual.

Mr. **Yates**. Could you break that down for us and put a memorandum in the record as to what that was for?

Mr. **Lynch**. Yes.

[The information follows:]

Itemization of fiscal year 1985 travel costs

Staff travel--Meetings with Chairman, official meetings including Committee meetings, Council meetings, and attendance at Conferences.........	$11,600
Council Member travel for Committee Meetings..........	34,500
Official travel of Consultants related to development of prototype educational material and related studies impacting on the educational component of the museum design activities..........	2,300
Official travel of Consultants and Council Members engaged in fact finding, development of material or attendance at meetings related to museum design..........	8,400
Four USHMC Consultant Archivists Site Visits to European Institutions.	23,000

The primary purpose of the research trip was two-fold:

1. To establish a basis for future cooperation between the more than 40 institutions visited and the Council on a professional and personal level, and to explain in detail the programs and goals of the Council and the Museum. Contacts established have already been very helpful in the Council's work.
2. To gather information regarding the institution's Holocaust holdings and to ascertain the possibilities for and attitudes toward the creation of an international computer-based network inventory of Holocaust materials.

The Consultants wrote four reports on the site-visits which have subsequently served multiple purposes and have been extremely useful in planning for the international inventory system, as well as making the Council a central point for distributing information on Holocaust documentation in Europe.

Council member and Consultant travel related to official duties for Days of Remembrance functions in Washington, D.C. and Philadelphia, Pa....	6,500
Council members, speakers and invitees travel for participation in Conference on "Faith in Humankind"	6,700
"Campaign to Remember" Staff travel to conduct and arrange for fund-raising activities	23,000
	116,000

Mr. YATES. What is your expectation for this fiscal year?

Mr. LYNCH. $77,000.

Mr. YATES. In the questions that we asked last year, we asked about describing the Hall of Remembrance and the Hall of Learning. The answer was:

"The centerpiece of the memorial museum will be a Hall of Remembrance designed through an international competition to achieve a stark, yet sacred atmosphere." And then you have three or four other paragraphs relating to this. Has this changed at all?

Mr. TALISMAN. No. The plans to launch the international competition are well underway right now. We are using guidelines established under a competitions format established by the National Endowment for the Arts.

Mr. YATES. You asked for $200,000 for museum educational planning for last year. Was that spent or is that being spent?

Mr. TALISMAN. Yes.

Mr. YATES. The total amount?

Mr. TALISMAN. Yes.

Mr. YATES. We will have questions in addition to these.

How often did the Executive Committee meet last year?

Mr. TALISMAN. I think it was five times.

Mr. YATES. As an Executive Committee?

Mr. TALISMAN. Yes.

Mr. YATES. All the members present?

Mr. TALISMAN. Most, not all.

MEETING LOCATIONS

Mr. YATES. Where did you meet?

Mr. TALISMAN. In New York and in Washington.

Mr. YATES. Where is the authority for the Council to meet in places other than Washington?

Mr. TALISMAN. I think the presumption is absence of requirement at any——

Mr. YATES. How can you have a Council meeting outside of Washington? Is your counsel here? Can she explain it?

Mr. TALISMAN. She is not here.

Mr. YATES. Can Marian Craig explain it?

Ms. **Craig**. One small correction is the meeting place itself is not covered in the statute, and it was actually cheaper to meet there because many of the members are New York-based people.

Mr. **Yates**. If you have Council meetings in New York, you can't get your congressional members there.

Ms. **Craig**. We have one meeting out of the year in New York.

Mr. **Yates**. How many do you have?

Ms. **Craig**. We now have two.

Mr. **Talisman**. There are numerous committee meetings going on, executive and otherwise.

COUNCIL COMMITTEES

Mr. **Yates**. How many committees are in existence?

Mr. **Talisman**. We just finished out the major work of the committees. The Remembrance Committee continues.

Mr. **Yates**. How many committees are in existence now?

Mr. **Talisman**. Two.

Mr. **Yates**. Which ones are they?

Mr. **Talisman**. The Executive Committee and Remembrance Committee. The other functional committees produce their work, which is the basis for the Silver report. I'm sorry, the Archives Committee continues as well.

Mr. **Yates**. Do you know whether the committee that was outlined in the letter by Mr. Abramson has been filled?

Mr. **Talisman**. No. As a matter of fact, there are several spaces left empty intentionally to add people.

Mr. **Yates**. How many people will be——

Mr. **Talisman**. There are currently six of us sitting on that committee, and I think we are contemplating as many as nine. I think that was the number Mr. Abramson stated. Not in the letter, but in conversations that took place at the meeting.

Mr. **Yates**. The letter, presumably, contained your agreements. You are talking about the New York meeting?

Mr. **Talisman**. Yes.

Mr. **Yates**. This letter says to Mr. Wiesel, "You will appoint, as soon as possible, a Museum Executive Board. The Board will consist of approximately 12 people. You, of course, will be chairman; Sigmund the co-chairman and Miles the Associate Chairman. It will include Robert Mendelson; Harvey Meyerhoff and Mark Talisman." And then he says, "I talked to Sid Yates about possible congressional membership on the committee and he thought it would be inappropriate."

Mr. **Talisman**. As I understand it, though, there were going to be a few seats left open for decision later on. That is what I thought. They weren't all filled.

Mr. **Yates**. Well, as I understand it, the chairman can appoint as many members as he wants.

Mr. **Talisman**. That is correct. I think the number agreed to happened to be 12.

Mr. **Yates**. This is called the Museum Executive Board?

Mr. **Talisman**. Right. And that is to oversee——

Mr. **Yates**. How will this differ from the Executive Committee?

Mr. **Talisman**. One is private, one is public. One is related to construction.

Mr. **Yates**. According to your organizational charts, these are your committees, Archives——

Mr. TALISMAN. Still exists.

Mr. YATES. Campaign Cabinet.

Mr. TALISMAN. That still exists, but that is separate.

Mr. YATES. What do you mean by separate?

Mr. TALISMAN. That relates to campaigns——

Mr. YATES. That is out of existence?

Mr. TALISMAN. No, still in existence.

Mr. YATES. Days of Remembrance.

Mr. TALISMAN. That still exists.

Mr. YATES. Education?

Mr. TALISMAN. That has done its work.

Mr. YATES. There is no Education Committee anymore?

Mr. TALISMAN. It was appointed to provide the material for the creation of the plan, which it has done.

Mr. YATES. I thought you were still planning?

Mr. TALISMAN. No. In terms of the Silver activity, all of that report was handed over already. Now what we are doing——

Mr. YATES. Education is different than Silver, is it not?

Mr. TALISMAN. No. Now what we are doing—the initial work of that committee was to provide the agreed upon schedule and design of an educational program, which he is now using. Now what we are doing is substantive planning for educational activity, which means material development.

Mr. YATES. International Relations.

Mr. TALISMAN. That no longer exists.

Mr. YATES. What about the Committee to Remember the Children?

Mr. TALISMAN. That exists also.

Mr. YATES. Appointed by the chairman?

Mr. TALISMAN. Appointed by the chairman.

Mr. YATES. Process?

Mr. TALISMAN. That is finished. I chaired it, and that was to bring all the activities together, bringing the materials to the Silver group.

Mr. YATES. The hearings last year revealed the type of granite to be used on the memorial had not been agreed upon. Has that yet been agreed upon?

Mr. TALISMAN. No, it has not been solved. We are in consultation with the appropriate commissions in Washington.

Mr. YATES. Well, in other words, that decision requires the approval of the Commission of Fine Arts?

Mr. TALISMAN. No, it does not. What we want to do is legally make a collegial decision so that everyone is——

Mr. YATES. What is a collegial decision?

Mr. TALISMAN. We are going to find out. Presumably, by agreement even though we are not required to seek such an agreement. I would rather see everybody happy, if that is possible.

CONSTRUCTION COSTS

Mr. YATES. Do you have any estimate as to what the cost of the interior is likely to be?

Mr. TALISMAN. I think the completed interior is $24 million.

Mr. YATES. Plus the $30 million?

Mr. TALISMAN. Plus the $30 million.

Mr. YATES. So the total construction cost is now estimated at $54 million?

Mr. **Talisman**. No, the construction cost has always been the same. What you are asking for is content?

Mr. **Yates**. The construction cost includes the interior of the building.

Mr. **Talisman**. What I am talking about is also the cases and the exhibits and the film equipment and everything else.

Mr. **Yates**. I am talking about, first, construction. That's $30 million. Does that include the separations and rooms and areas within the building itself?

Mr. **Talisman**. Yes.

Mr. **Yates**. The parking area?

Mr. **Talisman**. Yes.

Mr. **Yates**. And that's——

Mr. **Naftalin**. The permanent subdivisions.

Mr. **Talisman**. The museum aspects are $24 million.

Mr. **Yates**. So the total cost is estimated to be $24 million?

Mr. **Talisman**. Right. That is correct, isn't it?

Mr. **Naftalin**. Yes. For the memorial and exhibit areas.

Mr. **Yates**. Mark, how does that relate to the information you gave us on April 11? Who did you get this from? From Steve Lynch. You have a construction costing $30 million——

Mr. **Talisman**. $30 million?

Mr. **Yates**. Construction of museum at $30 million, memorial educational exhibits, $25 million.

Mr. **Naftalin**. That is the one he just said——

Mr. **Yates**. But then you have another $25 million for archives and library. Wouldn't those be included in the others?

Mr. **Talisman**. No, that is programming.

Mr. **Naftalin**. That is programming.

Mr. **Yates**. I don't know quite how you draw the distinction between cultural and educational exhibits. Do you?

Mr. **Talisman**. The museum exhibition activities is $25 million.

Mr. **Yates**. Let's make the suggestion, you give me the breakdown of these items for the record.

Mr. **Talisman**. We will insert that in the record.

Mr. **Naftalin**. We will give it to you for the record.

[The information follows:]

Cost estimate breakout for building construction structure and internal exhibitry, archival and education components.

$30 million—construction costs.

$25 million—create memorial and the permanent & related exhibits.

$25 million—Initial education and cultural program materials; archives & library; supporting automation & computer technology; office equipment; and the furnishing and decorating of other public spaces.

Mr. **Yates**. Now, you talk about traveling exhibition service. Do you have an estimate of the cost of that?

Mr. **Talisman**. At this point, no.

Mr. **Yates**. Why don't you include it as part of the Smithsonian's exhibit?

Mr. **Talisman**. Probably because contentwise and otherwise it wouldn't be very appropriate.

Mr. **Yates**. "Educating through the Holocaust?" Why not? The Smithsonian rents its exhibits to the museums. I don't know whether the Smithsonian would want to take this on as part of it.

Mr. **Talisman**. Having worked with them rather well and intimately and successfully, I don't know it would mix very well. I would be happy to——

Mr. **Yates**. You would have a precious legacy in the Smithsonian——

Mr. **Talisman**. This is different.

Mr. **Yates**. Why?

Mr. **Talisman**. It is directly Holocaust related. I would be happy to talk with them and see if it dovetails. If it does, I think it is appropriate.

Mr. **Naftalin**. We would have to pay them to do it.

Mr. **Yates**. We will have other questions for the record, and Mr. Regula has some questions. Now, going back to the Abramson letter. He points out that you are going to meet on Wednesday, April 6.

Mr. **Talisman**. Yes. There was a meeting——

Mr. **Yates**. Excuse me, April 16th, 12 noon, Washington Square, of your group, and I assume you will come to some decisions. I think the committee should be advised of your decisions and I propose to keep the hearing open until a later date so we can follow up on that.

Now, I think, too, that you should furnish a memorandum of legislative changes that you might want to recommend, assuming you do. If you do, supply them for the record within the next week or so, 10 days.

Mr. **Talisman**. We would be happy to.

[The information follows:]

April 16, 1986 Meeting

The Chairman of the Council sent a letter to Chairman Yates dated April 16 in which he explained that a Museum Executive Board would not be established prior to the White House announcing the Council appointments, and that the meeting scheduled for April 16 was for planning purposes only.

Legislative Changes

We propose no further legislative changes at this time.

United States Holocaust Memorial Council

Office of the
Executive Director

April 16, 1986

Honorable Sidney Yates
Chairman
Subcommittee on Interior and Related
Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In connection with the proposed "Museum Executive Board" mentioned in the letter from Albert Abramson to Chairman Wiesel, you indicated during our Hearing on Monday that you would keep the record of the Hearing open pending a report by the Council of a meeting of that Board scheduled for today. Further, discussion of that letter and its implications led to a colloquy between you and our Vice Chairman, Mark Talisman. Permit me to elaborate on some of the matters touched upon. I would appreciate your including this letter in the record of the Hearing.

While I was not present at the meeting referred to in Mr. Abramson's letter, I have no doubt that the letter fairly summarizes his understanding of the meeting's discussion. It does not, however, necessarily reflect final actions taken or to be taken by the Chairman or the Council. The Chairman is indeed considering options for establishing an efficient, professional organization to continue the museum planning effort into the next critical stage of development. To establish any such organization, however, including such a Board, would require the review and approval of the Council. Moreover, the Chairman is reluctant, if not barred, from making any final arrangements prior to the appointment by the President, at least of the Chairman to a new term and of a new Executive Director, if not the balance of Council vacancies now pending. Accordingly, today's meeting, described in Mr. Abramson's letter, is essentially exploratory, not official, since the Board has not yet been established.

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It well may be that this will turn out to be a distinction based on timing rather than substance. I do not know. However, I am concerned that the substance of Mr. Abramson's letter may have led you to the conclusion that the prospective use of donated funds in the planning of the museum building is at odds with the Council's level of request for appropriations for FY 1987. In the course of your colloquy, I fear that an important distinction, concerning the Federal responsibility of the Council for "planning, constructing and operating" the Museum, was lost. As I set forth below, while it is true that the vast majority of activities involved in executing the final plans, in bricks and mortar construction, and even in designing the memorial, exhibitry and putting in place the major program elements of the museum, will be performed by experts and professionals, nonetheless, the ultimate management and accountability of private as well as appropriated funds, and of the activities calculated to create the museum, must remain in the Council itself. In other words, the Council is a single, legal, statutory body that conducts its governmental affairs with government funds -- some of which are appropriated and most donated. The Council and its Executive Director are accountable for all activities and expenditures of the Council, irrespective of the source of the funds or the fact that procedures may vary as between the two. Thus, while non-Federal, or non-civil service, employees, consultants, contractors and volunteers may perform most of the actual professional and technical functions, as is usually the case even in a GSA facility, there must be a core of Council members and employees to oversee the activity, including its content, procedures, and expenditures. In light of this, let me turn to the project itself and the explanation of the minimal but vital "Federal" responsibility assumed in our request for appropriations.

We plan to open the memorial museum as an operating institution in late 1988. Thus, our best estimate is that we will have spent the bulk of our campaign goal -- approximately $85 million -- by opening day; the remaining $15 million or so to seed an endowment for future operating costs. Of that budget, about 1/3 -- nearly $30 million -- represents construction costs per se for the building. Another $25 million will be spent to create the memorial and the permanent and related educational exhibits. Another $25 million or so will pay for initial education and cultural program materials; archives and library; supporting automation and computer technology; office equipment; and the furnishing and decorating of other public spaces. The $5 million balance will cover a miscellaneous of landscaping, security and medical services, public information, docent training, and so forth.

The point is, this is a major, complex undertaking to coordinate and manage. Even though private donations are the main source of funding, the funds are spent on behalf of a public facility. The Council is mandated to make it happen. The Council, and that includes its Executive Director and his staff, is accountable. The expenditures, through staff, consultants, contractors and subcontractors, historians, artists -- whatever -- must be managed and procurement and financial records must be kept, and Council policies policed. In other words, the Federal responsibility for the entire project rests with the Council, and cnot be delegated, even though non-Federal workers and suppliers will actually consume the bulk of the funds. Thus, we believe the major components of all the Council's activities, including each of the main sectors of museum planning, must be overseen, managed, and accounted for by the Council and its permanent staff.

In light of this, let's see how our approximately $2 million request is broken down:

* A little more than half -- $1,121,000 -- we call "Council Direction." In round numbers, this means approximately $40,000 for Council and committee meetings (i.e., travel and expenses); nearly $90,000 for office expenses and equipment; $180,000 for office rent; approximately 10% of our overall appropriation, or $225,000, as reimbursement to the Park Service for primary back-up services such as payroll, personnel, procurement, federal contracting, budgetary, all for appropriated activities; and approximately $575,000 for the administration and secretarial staff salaries and benefits for the Council, e.g., Executive Director, Sr. Deputy Director, General Counsel, Communications Director (who also staffs the Days of Remembrance), Operations Director, Bookkeeper and automation systems manager, and four secretaries.

* To assist the Executive Director in planning and overseeing the substance of that $80 million planning enterprise, we would spend about $800,000 -- one percent. Half of this will be program specialists in museum, education, archives, research, and audio-visual planning, and research consultants, assisted, respectively, by two secretaries. The other half involves contracting for services such as computer services planning to integrate our museum, campaign, auditing and operations computer facilities; to plan our security, medical, and maintenance systems, and so forth, and to operate our special archival project in coordination with the National Archives.

* The last $125,000 is for non-museum activities of the Council, especially the Days of Remembrance national and local events, including supporting publications and outreach materials, special activities such as the Children's Committee and the high school essay contest, and the like.

In all, Mr. Chairman, we see this Federal appropriation, in contrast to the $100,000,000 enterprise necessary to open our doors, as the indispensable, 1% commitment for assuring Federal

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responsibility, planning, accountability and sound management, and 1% for general support of the Council and its non-museum functions. Finally, we remind the Committee that while this year's request is a slight reduction from last year, we have been requesting essentially a flat, unchanging amount since 1983 -- a period in which many if not most government entities' budgets have risen considerably. We feel, therefore, that we are programming a bare-bones, no fat, minimal budget consistent with preserving proper governmental accountability for the success and efficiency of the project.

With full appreciation for the personal interest and support you and your committee have given the Council since its inception, I am

Sincerely,

Micah H. Naftalin
Acting Executive Director

cc: The Honorable Elie Wiesel

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Mr. Yates. In addition to your request for representational expenses and a revolving fund.

Mr. Talisman. Thank you, Mr. Chairman.

Mr. Yates. Thank you.

[Questions and answers submitted for the record follow:]

Questions for the Record

OVERVIEW

1. In the organizational chart provided in the justification, it shows that there is an Assistant Director for Research where in FY 1986 there was an Assistant Director for Museum Development.

   a. Why has this organizational change been necessary?

   These are different positions, with the research position added.

   b. How has the focus of this office changed under this new designation?

   The Assistant Director for Museum Development will become the principal officer for Museum planning design and construction, and will be paid out of non-appropriated funds. The Assistant Director for Research is a new title for an existing staff member, Dr. Pfefferkorn, who will undertake and oversee Holocaust research related to exhibit and cultural programming.

2. The Council requested an increase of 6 FTE's in FY 1987 from OMB yet was told to maintain the FY 1986 FTE level of 29 FTE's.

   a. What was the need for the increase in FTE's which you requested of OMB?

   In Fiscal Year 1986, Congress enacted the Continuing Resolution which included a $135,000 increase over the Council's original appropriation request. The Conference Report indicated that this increase was for a cooperative arrangement with the National Archives to support a three-year effort to identify and begin preservation of historical documents now in the possession of the Federal government. To continue this projected three-year effort, the Council's Fiscal Year 1987 submission to OMB included a requested increase of $135,000 and a corresponding increase of 6 FTE's. Both the funding and the FTE increase were not approved.

   b. What impact will maintaining the FY 1986 FTE level have on the operation of the Council and the accomplishment of the Council's mission in FY 1987?

   If neither funds nor FTE's are available, the interagency agreement with the National Archives, and the archive preservation project would have to be terminated at the end of Fiscal Year 1986.

3. Council Direction

   The FY 1987 request in Council Direction is an increase of $38,000 over the FY 1986 enacted level.

   a. Discuss the need for this increase.

   The submission to OMB included an increase of 4.1 percent in all categories based on the Administration's current economic indicators. The $38,000 increase for Council Direction is the approximate proportionate share of the approved increase. Since the referenced estimates were prepared, due to the impact of the Gramm-Rudman-Hollings Act and changing program priorities, there have been subsequent changes in fund allocations both between object classification and program areas. Our current estimate for Fiscal Year 1986 expenditures in the program area of Council Direction is now $1,146,000. Our Fiscal Year 1987 request for $1,121,000 therefore represents a decrease of $25,000. These changes are best reflected in our reply to question 5 which compares object class detail for the Council Direction program area.

4. In FY 1986 the Continuing Resolution contained language which stated that persons other than members of the United States Holocaust Memorial Council may be designated as members of committees associated with the United States Holocaust Memorial Council subject to appointment by the Chairman of the Council.

   a. Has the Chairman used this authority to appoint any non-Council members to committees associated with the Council?

   Yes. An Advisory Committee on Holocaust Education and the Committee on the Children each include non-Council members.

5. Provide a comparison of the object class detail for FY 1987 on page 8 of the justification with the distribution of the resources in FY 1986 and the FY 1986 adjusted level.

Distribution by object class for Council Direction

The object class detail comparison between Fiscal Year 1986 and Fiscal Year 1987 follows:

	Amount	
	FY 86 (Est)	FY 87 (Est)
Personnel Compensation	$423,000	$518,000
Personnel benefits	47,000	57,000
Travel & transportation of persons	25,000	26,000
Travel & transportation of things	3,000	3,000
Rental payments to GSA	180,000	177,000
Other Rent, communications, and utilities	30,000	30,000
Printing	19,000	20,000
Other services	388,000	269,000
Supplies	11,000	6,000
Equipment	20,000	15,000
Total	$1,146,000	$1,121,000

6. Discuss what amount of funding will be necessary in FY 1987 for the coordination of outreach services, the computer design system and the media systems design.

   a. What consultants will be hired in FY 1987 to accomplish these tasks?

   Funding for the coordination of outreach services will include $50,700 for dissemination of information to over 100,000 institutions, $15,100 for costs related to the National Essay Contest, and $12,600 for coordination of state and local ceremonies. One consultant, Jane Merkin, is utilized for the coordination efforts.

   $200,000 has been programmed for a competitive contract with a computer firm for finalization of the international network computer system prototype. One consultant, Brewster Chamberlin, will provide oversight to this as well as other archival projects. $40,000 has been programmed for media systems design projects which will be competitive contracts; no consultants will be utilized.

   b. Will the Council use private funds or appropriated funds for these consultants?

   The above projects and consultants will be funded from appropriated funds.

Days of Remembrance

7. Provide the Committee with the detail to define what the $54,000 in "Other Services" will entail in FY 1987.

Distribution of 1987 Days of Remembrance Other Services

	FY 87
National Civic Ceremony	
Video & Audio Taping Nat. Civic Ceremony	$ 1,200
Photographs for Records	500
Postage - Invitations	1,300
Medal Casting	1,000
National Civic Outreach	
Mailing Labels of Initial Contact Institutions	900
Mail House Contract for Distribution	3,800
Postage	12,600
Duplications Services	2,000
Data Entry for Labels	1,700
Supplies for Mailing	500
United Parcel Service Contract for Order Fulfillment	19,000
Writing Contest Mailing Lists (25,000)	500
Postage to mail Writing Contest Announcements	5,500
Mail House Distribution	2,000
Books and Certificates	1,500
	$54,000

8. What will be the focus of the expansion of the Days of Remembrance ceremonies in FY 1987?

Days of Remembrance activities include support of both national and state ceremonies as well as outreach to other institutions throughout the country.

In FY 1987 the Council expects that its Days of Remembrance outreach program will expand to reach approximately 100,000 institutions including government and private organizations, educational, religious and military institutions. We hope to provide additional material on request, to some 10,000 of these institutions in FY 1987 that will enable each institution to develop an appropriate educational or ceremonial program in commemoration of Days of Remembrance. In 1987, as the result of our computerization in FY 1985 and 1986, we will be able to analyze our results more fully and expect to develop more precisely targeted and more useful materials to support this activity, which was mandated by Congress.

9. Why is an additional FTE necessary in Days of Remembrance in FY 1987?

There is no additional FTE requested for Days of Remembrance activities in FY 1987. The increase on page 14 of the justification evidently referred to in the Question must refer to the dollar line. With adjustments in FY 1986, our 1987 base for Days of Remembrance activities was $124,000 and our request is for $125,000, an increase of $1,000. Our FTE remains constant at .5.

Miscellaneous

10. What reimbursable agreements does the Council have in FY 1987?

a. What amount of funding will be necessary for these agreements?

The Council will continue its reimbursable agreement with Department of the Interior, National Park Service for providing administrative services. Based on the requested apportionment, this agreement would be funded at $205,700.

Questions from Congressman Regula

11. Your budget talks about the Museum's plans for a full schedule of public educational programs including lectures, film series, conferences, seminars and classes. Will these all be privately funded?

Once the Museum opens, yes.

12. Do you plan to charge an entrance fee to the museum or request voluntary contributions from visitors? While I usually support entrance fees, in this case I would think an entrance fee might discourage visitors as it would be the only museum on the mall that charged a fee.

We have no plans to charge entrance fees to visitors.

MONDAY, APRIL 14, 1986.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

WITNESSES

JAMES H. BILLINGTON, DIRECTOR, WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

JON E. YELLIN, ASSISTANT DIRECTOR FOR ADMINISTRATION AND FINANCE, WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

PROSSER GIFFORD, DEPUTY DIRECTOR, WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

RONALD MORSE, ASIA PROGRAM, WOOGDROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Mr. YATES. Ms. Reporter, show the hearing as coming to order.

This is the hearing on the budget for fiscal year 1987 for the Woodrow Wilson International Center for Scholars.

Appearing in support of that appropriation is its Director, Mr. Billington, accompanied by the Deputy Director, Mr. Gifford; the Associate Director, Mr. Wells; and the Assistant Director for Administration, Mr. Yellin.

Mr. BILLINGTON. Mr. Chairman, Mr. Wells is not here, although Mr. Morse is here and he is in charge of the ASIA program and has assumed other responsibilities for development.

Mr. YATES. All right.

Mr. Yellin's biography may go into the record at this point as well as Mr. Wells'.

[The biography of Mr. Yellin and Mr. Wells follows:]

JON E. YELLIN, ASSISTANT DIRECTOR FOR ADMINISTRATION AND FINANCE

Jon Yellin joined the Wilson Center staff in June 1985 as Assistant Director for Administration and Finance after having served for nine years as Director of the Office of Programming and Budget at the Smithsonian Institution. Prior to working at the Smithsonian, Mr. Yellin held a variety of positions with the Internal Revenue Service and was Budget Director at the National Endowment for the Arts. He has taught courses in political science and history at the City University of New York, Drexel University, and Cedar Crest College.

Mr. Yellin received his B.A. degree from Columbia College and holds a Master of International Affairs degree from Columbia University, where he specialized in Asian studies. While at the Smithsonian, he was awarded a Webb Fellowship for study at the John F. Kennedy School of Government at Harvard University, where he earned a Master of Public Administration degree.

SAMUEL F. WELLS, JR.

Current Position: Associate Director, and Chairman, European Institute, The Wilson Center.

Born: Mullins, South Carolina, September 13, 1935.

Education: A.B. in history (1957), University of North Carolina M.A. (1961), Ph.D. in history & international relations (1967), Harvard University.

Military Service: U.S. Marine Corps, 1957–1960, to rank of Captain.

Teaching Experience: Wellesley College, 1963-1965, Instructor University of North Carolina, Chapel Hill, 1965-1978 (Associate Professor of History 1970-1978).

Special Fields: International Relations, European-American Relations, Economic Diplomacy, Arms Control, and National Security Policy.

Research and Publications:

"America and the MAD World," *Wilson Quarterly*, I (Autumn 1977), 56-75.

(Co-author) The Ordeal of World Power: American Diplomacy Since 1900 (Boston: Little, Brown & Co., 1975).

(Co-author) "American Political Leaders and Strategy Toward the Soviet Union, 1945-1972" (classified study for the Department of Defense, 1976).

"Future Prospects of SALT," in Ray S. Cline et al., Main Trends in World Power: Political Impact of Strategic Weapons (Washington: Center fgr Strategic afd International Studies, Georgetown University, 1978), 45-51.

"History and Policy," in Paul Gordon Lauren (ed.), Diplomacy: New Approaches in History, Theory, and Policy (New York: The Free Press, 1979), 269-277.

"Sounding the Tocasin: NSC 68 and the Soviet Threat," International Security, 4 (Fall 1979), 116-158.

"The Origins of Massive Retaliation," Political Science Quarterly, 96 (Spring 1981), 31-52.

"The United States and the Present Danger," Journal of Strategic Studies, 4 (March 1981), 60-70.

"The Mitterrand Challenge," Foreign Policy, 44 (Fall 1981), 57-69.

"Understanding Mitterrand," across the board, 19 (January 1982), 47-55.

"U.S. Options in Saudi Arabia in the 1980's," in U.S. Options in Iran and Saudi Arabia in the 1980's, Strategic Studies Institute, U.S. Army War College (January 1983), 9-15.

"A Question of Priorities: A Comparison of the Carter and Reagan Defense Programs," Orbis, 27 (Fall 1983), 641-666.

"Limits on the Use of American Military Power," Wilson Quarterly, VII (Winter 1983), 121-130.

"Constraints in Conventional War: The American Experience," Jerusalem Journal of International Relations, 7 (1984), 32-46.

With Robert A. Pollard, "The Era of American Economic Hegemony, 1945-1960," in William H. Becker and Samuel F. Wells, Jr. (eds.), Economics and World Power: An Assessment of American Diplomacy Since 1789 (New York: Columbia University Press, 1984), 333-390.

"The First Cold War Buildup: Europe in United States Strategy and Policy, 1950-1953," in Olav Riste (ed.), Western Security: The Formative Years: European and Atlantic Defence, 1947-1953 (Oslo: Norwegian University Press, 1985), 181-197.

"The United States and European Defense Co-operation," Survival, XXVII (July/August 1985).

Edited with Jed C. Snyder, Limiting Nuclear Proliferation (Cambridge, Mass.: Ballinger, 1985).

(Forthcoming) edited with Mark A. Bruzonsky, Security in the Middle East: Regional Change and Great Power Strategies (Boulder: Westview Press, 1985).

"The Tenuous Entente: Anglo-American Strategy and Diplomacy, 1904-1914" (accepted for publication by Oxford University Press, New York).

(In progress) "The International Policies of France Under Francois Mitterrand."

(In progress) "Escalation of the Cold War: The Impact of Korea, 1950-1954."

Awards and Honors: Phi Beta Kappa, Woodrow Wilson Fellow, Danforth Graduate Fellow; Peace Fellow, Hoover Institution on War, Revolution, and Peace; Fellow; Woodrow Wilson International Center for Scholars; Recipient, Ford Foundation grant for research in international security, 1976-1979.

Address: Woodrow Wilson International Center for Scholars, Smithsonian Institution Building, Washington, D.C. 20560 Tel. (202) 357-2969.

Mr. YATES. Your statement may go into the record.

[The statement of Mr. Billington follows:]

STATEMENT OF JAMES H. BILLINGTON, DIRECTOR, WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS, BEFORE THE HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON APPROPRIATIONS FOR THE DEPARTMENT OF INTERIOR AND RELATED AGENCIES, APRIL 10, 1986

Mr. Chairman:

The Wilson Center's 15th anniversary year, 1985, marked an era of considerable accomplishment by this living memorial to our 28th President. For 15 years, the Wilson Center has aspired to be a place where scholars put things together within an academic profession that generally prefers to take things apart, a place to think about global trends in a city that responds basically to short-run domestic politics, and a place to seek out tentative answers to important questions rather than definitive answers to lesser ones. Moreover, following the concept detailed in our enabling legislation, the Center has built its programs on a foundation of public and private support. Our future strategic planning continues to emphasize this public/private partnership.

Dissemination of Research Results

Since 1970, when the Center first opened its doors to fellows, over 1,050 fellows and guest scholars have worked on projects of original scholarship here in Washington, accounting for 313 books and many more articles, essays, and working papers. In 1984-85 alone, 44 major works were published as a result of Center research, including such specially acclaimed works as Walter A. McDougall's The Heavens and the Earth: A Political History of the Space Age, John Noonan's Bribes, and Karl Dietrich Bracher's The Age of Ideologies: A History of Political Thought in the Twentieth Century.

Ideas generated at the Center are shared with the nation through Radio Dialogue, a series of half-hour programs that the Center produces, relying largely on its fellows and guest scholars. Begun in 1983, and funded entirely with foundation grants, Radio Dialogue has recorded 104 shows to date. The program is distributed free of charge to more than 170 members of the Longhorn Radio Network--up from 106 a year ago--and to some 260 affiliates of National Public Radio. In addition, Radio Dialogue fills increasing numbers of cassette orders, mostly from interested individuals, libraries, universities, and secondary schools, and it is now heard regularly in major listening areas--New England, Washington, D.C., Chicago, New York, San Francisco, Rochester, Omaha, Miami, Pittsburgh, Cincinnati, and Madison, Wisconsin. Among the 44 shows produced in 1984-85 were programs on "Egyptian-Israeli Relations since Camp David," "American Military Preparedness in Europe," "Religious Values, Public Policy, and Contemporary Catholicism," "The Brazilian Economy: Paths to Recovery," "Public Interest Lobbying," and "China and the West: The New Opening."

The Wilson Quarterly, entering its 10th year, now publishes five issues a year for its nationwide readership. Its paid subscription of 110,000 is the highest of any quarterly journal in the United States. Financed completely with private monies, mainly from subscription revenues, the Quarterly draws heavily upon the scholarly life of the Center.

The Center's busy meeting schedule is another form of successful outreach to a broader audience. Last year alone, the Center sponsored 255 meetings and seminars which were attended by approximately 7,000 people. The Center's monthly calendar of events and short reports of key events for the previous month are distributed to some 5,000 friends of the Center, including all members of Congress.

The core resources, proven experience, exceptional location, and network of alumni and friends all assure that the Wilson Center conferences are likely to be of major importance. These meetings continuously connect the scholarly world of ideas with the practical world of public affairs. The Wilson Center's established links to a broader public assure that conferences receive wide attention through the Radio Dialogue series and the Center's ongoing publication program, including the Quarterly.

A particular highlight of FY 1985 was the major conference--held in September at the Center--that assessed the recent first decade of Spanish democracy. Spain's role in the European Community and its participation in NATO were examined as consequences of the Spanish transition to democratic rule.

The lively participation of Spanish Prime Minister Felipe Gonzalez and a number of past and present cabinet members in the discussions of this conference in Washington attests to the Wilson Center's ability to attract principal policymakers to discuss current issues--and to reflect upon the shape given them by the past.

Historic Congressional Appropriations for FY 1986

The historic congressional decisions last year to appropriate a sum of $994,000 for an endowment challenge fund and an additional amount of $487,000 for conference development have provided new opportunities for the Center. As a result of congressional initiative, we are moving ahead enthusiastically with our endowment plans, and our FY 1986 major conference schedule is the most active in our fifteen-year history.

A. Endowment Planning

Greatly encouraged by the federal support this year in the form of the endowment challenge fund, the Center has established an investment-policy committee as we prepare for a major endowment campaign.

Our goal is to build an endowment fund of $12 million to $15 million over the next three to five years. A fund of this magnitude would earn sufficient annual interest to cover approximately one-half of the nonappropriated funds currently raised each year and largely devoted to outreach activities. The balance of the nonappropriated part of the Center's annual budget will continue to be raised from outside fund-raising and will continue to represent about one-half of the funds that we will need to raise each year outside of annual federal appropriations.

Financial support from an endowment will permit our small staff to concentrate more time and energy on long-range planning and on development

BEST COPY AVAILABLE

of the Center's intellectual agenda and outreach program. This enhanced capability will help both to ensure the sustained intellectual quality of all our endeavors, and to assure that the range of people involved in our meetings and receiving our proceedings is expanded as widely as possible in Washington and throughout the country. An endowment will give stability to our programs and provide us with control over our agenda, independent of the often shifting and short-term priorities of private donors.

A major endowment gift was announced on the occasion of the Center's 15th anniversary in late October 1985: Japanese corporations and industrial federations donated $1 million toward an Asia Program endowment for Japan-related activities at the Center. Friends of the Kennan Institute for Advanced Russian Studies have also raised an endowment of approximately $1 million, under the chairmanship of Ambassador George F. Kennan.

B. Conference Development

The FY 1986 appropriation for conference development represents a major breakthrough in the Center's ability to plan and develop significant conferences. In FY 1986, for the first time, the greatly expanded conference program has become a secure part of the presidential memorial. Previously, the uncertainty of private fund-raising efforts coupled with the need for advance planning have resulted in many foregone opportunities, the unfortunate need to reduce the scope of several conferences, and inadequate dissemination of results.

The Center's FY 1986 conference schedule that we have planned with the crucial assistance of federal monies consists of 19 conferences on a wide variety of important subjects. These range from the impact of religion on modern American intellectual life to issues of contemporary public policy spanning North and South America, East and West Europe, and Asia. Notably, we will augment federal funds allocated to FY 1986 conferences with a significant amount of private money.

The federal conference appropriation permits the Center for the first time to commission major conference reports in advance by serious scholars and to disseminate widely the results of conferences on a timely basis. The appropriation for conference development thus assures that the scholarly standards and independence of the fellowship program will be fully reflected in the Center's meeting and outreach activities.

The specific conferences and funding assigned to each are detailed in our budget submission. Here I highlight just a few examples:

The initial conference, "Assessing American Options with the Philippines" held at the Center on February 3, 1986, placed the Philippine situation in an American political context at a crucial time in U.S.-Philippine relations. Featuring as speakers a member of Congress, the Under Secretary of State for Political Affairs, and an academic expert on the Philippines, a wide spectrum of ideas was presented about U.S. approaches to the presidential election and possible outcomes. Two publications will result from this exciting and important conference.

At a second conference, held on February 9-11, 1986, 30 leading West German and American policy-makers from the respective governments, industry, and academe met to assess East-West relations after the Reagan-Gorbachev Summit in Geneva. The discussion focused particularly on the outlook for Western trade with the U.S.S.R., and West Europe's relationship to the Soviet-American strategic equation.

On February 21-22, 1986, in collaboration with the Harvard "Project on Avoiding Nuclear War," the International Security Studies Program sponsored a workshop: "Alternatives to Deterrence." Among the possible future alternatives for Western policy that were examined is the possible use of non-nuclear strategic weapons as a means to reduce reliance for national security on massive assured nuclear destruction. Included in the small working group of experts were the leadership of the Harvard Project, key members of Congress, and the Wilson Center's own specialists on both nuclear weapons and the Soviet Union, as well as scholars and industrial technicians.

"Strategic Defense and Soviet-American Relations" was the subject of a two-day conference on March 10-11, 1986, that was attended by some 50 specialists working on the issue of strategic defense. This meeting sought to improve the quality of the debate on strategic defense by exploring the underlying assumptions that drive the arguments in favor of or against the development of space-based defensive systems. The papers prepared for this meeting will be published as the "Proceedings" of the conference, and conference results will also be recorded for inclusion in the Radio Dialogue series.

A conference on the half-century of diplomatic relations between the United States and the Soviet Union, scheduled for September 1986, is designed to be the first in a series of meetings that will encourage parliamentarians of the United States and the Soviet Union to discuss serious issues with major scholars on a continuing basis. These meetings result directly from proposals made by a leadership delegation of the House of Representatives during an official visit to the Supreme Soviet of the U.S.S.R.

A conference on the Soviet Union and Marxist revolutions, scheduled for September 25-26, 1986, will examine the record of Soviet successes and failures with regard to Third World Marxist revolutions, the instruments of Soviet support to revolutions, several case studies, the Western response, how Soviet involvement in these revolutions has changed over time, and what lessons the Soviets have learned. This is an especially important subject because there are several Marxist insurgencies currently taking place that the U.S.S.R. supports to a greater or lesser extent. It is essential to understand what factors have contributed to Soviet successes and failures in the past in order to analyze how the Soviets are likely to fare in the present insurgencies as well as how the West can act most effectively to preserve its interests.

The Wilson Center will convene this summer the first international conference ever held on Burma, the largest country in Southeast Asia and a nation now seeking closer cultural and political ties with the United States. Burma has isolated itself and as a result has largely been ignored in this country. Burmese studies have languished: There are only 10-20 competent

Burmese-language specialists in America. The prospect of this conference has attracted great interest, and three publications will result.

In July 1986, the occasion of the 100th anniversary of the gift from France to the United States of the Statue of Liberty will be an appropriate time to consider how "Liberty"--a fundamental term in the democratic lexicon--has been variously interpreted over the last two centuries in France and the United States. The conference, "The Concept of Liberty: Its Development and Meaning in France and the United States," will inject a serious scholarly component into what has become a largely commercial celebration. This conference will have two parts: the first in Washington in July, a second in Paris in October.

"Minds without Borders," to be held on the 40th anniversary of the Fulbright Program, will commemorate the largest academic exchange program in world history at a time when international exchanges are again being recognized as a major element of creative public policy. As in so many areas, the Center will build here on prior experience with the international conference commemorating the 30th anniversary of the same program in 1976 and with the major Wilson Center conference on Soviet-American exchanges that President Reagan addressed in June 1984.

This groundbreaking conference support that congressional appropriations provided in FY 1986 has permitted our program Secretaries to spend their time planning and perfecting meetings in a timely fashion, using the special advantages that the Center offers. With these funds, our small staff has not had to devote its energy to the exhaustive and time-consuming annual fund-raising for the meeting program which has prevented us from taking full and timely advantage of opportunities in the past.

Administrative Support

Our FY 1987 request underscores the long-deferred need for a modest but, to the Center, highly significant increase for basic items of administration. An analysis of available funding for administrative support compared with actual costs demonstrates that we have been operating under a deficit situation in recent years. This deficiency is being covered with private monies.

Two undesirable consequences flow from using private monies to meet core administrative expenses. One is that the Center's pool of unrestricted monies has become badly depleted. Second, in order to raise the essential administrative support funds, our fund-raising efforts have been deflected, in part, from a larger programmatic focus. Thus, the strengthening of the Center's central administration constitutes a major priority in this year's budget request, and an additional amount of $292,000 over the FY 1986 appropriation is sought for this purpose.

The proposed increase would (a) correct a continuing funding deficit for such essential items as supplies, communications, and basic office equipment; (b) further the Center's office-automation program initiated, with congressional support, in the current fiscal year; and (c) strengthen the administrative support staff.

Although the number of fellows and guest scholars at the Center has increased from 36 in FY 1979 to more than 80 in FY 1986, and the number of multiday conferences from 7 in 1979 to 19 this year, we have refrained throughout this period from seeking major increases for our basic administrative structure. The situation now has reached the point where our small central staff cannot keep pace with the critical requirements of administering the Center without an infusion of additional resources. In short, our current administrative budget cannot sustain the quality of our substantive programs. The requested increase in core administration would support the level of activity currently under way. Even at the proposed level, our administrative support would still be less than that provided by institutions for advanced study elsewhere.

To hold down federal costs, we continue to share the administrative burden with nonappropriated monies. Specifically, the private-funds reimbursement to the Smithsonian for certain administrative services is more than two times the amount provided through the federal appropriation. Our fiscal assistant, special-events coordinators, and an administrative secretarial position are all supported by overhead fees from grants received by the Center. During this past year, we also sought and received contributed monies for a comprehensive office automation study so that federal monies for office automation would be used with maximum effectiveness. Most recently, we have added a staff accountant/computer specialist, paid from private funds, in order to institute our own critically needed automated accounting system. The modest infusion of federal funds sought in this request will help us complete the rebuilding of a responsive and responsible central administrative operation.

The Center's Contribution

The Wilson Center has come to play a unique role in Washington as one of three national institutions specially founded by the Congress under the broad umbrella of the Smithsonian. Just as the National Gallery deals with the visual arts and the Kennedy Center with the performing arts, so the Wilson Center deals with the intellectual arts, bringing thinkers together with people of affairs. Located as we are amidst the Smithsonian's great repositories of human memory, the Wilson Center has played an important role in bringing the cultural and historical dimensions of human experience to bear on present-minded debates about international problems. This Center is a focus for national and international dialogue in a whole variety of areas of international concern. It may be too much to hope that the next fifteen years, leading up to the year 2000, will leave my successor with an agenda that speaks less about old quarrels and more about the new common opportunities of humanity. But I hope that this small Center will play a role in helping this to happen--and that it will have in the future such good supporters as it has had in its first 15 years--above all, from you in the Congress who have created and sustained us and also from the Trustees who have guided and encouraged us and from the other donors who have supported us. Mr. Chairman, I and my staff will be pleased to answer any questions that you and the members of this subcommittee may have.

STATE OF THE CENTER

Mr. **Yates**. What problems do you have? What advances have you made? What do you need from this committee that we should know about? Obviously, you are being cut back by either OMB or Gramm-Rudman, I don't know which. You had a 4.3 percent cut from Gramm-Rudman, did you not?

Mr. **Billington**. Yes, sir.

Mr. **Yates**. Did that hurt you at all?

Did it hurt you—not terribly, you had been overfunded as it was, right?

Mr. **Billington**. Our major adjustment to Gramm-Rudman was through reductions in a series of things. We changed the basis of computation of fellowships which hurts us a little. We are going to eliminate or reduce the scope of some of the planned conferences. We can itemize it for you.

REDUCTION IN CONFERENCES

Mr. **Yates**. What conferences will you lose as a result of the reductions?

Mr. **Billington**. We are going to cut back on the conference "East-West Relations after Geneva", and on "German-American Relations" and we are going to cut back more on the Franco-American conference on "the Concept of Liberty" and on the 40th anniversary of the Fulbright Program conference, although for the Franco-American conference, we have gotten private help that would help ease the pain. But fellowships and conferences are the heart of what we do.

Mr. **Yates**. But you haven't told us anything on how you were hurt by the 4.3 percent reduction. You said you are going to make it up in another way.

Mr. **Billington**. Just on the one conference.

Mr. **Yates**. I am trying to find out how you were hurt specifically. I am trying to get specific for the record.

CUT TO FELLOWSHIP PROGRAM

Mr. **Billington**. If you want me to itemize it, the fellowship thing has been harmful.

Mr. **Yates**. How badly were you hurt by the fellowship thing?

Mr. **Billington**. We have reduced the fellowship program by $54,000.

Mr. **Yates**. What was the total amount before the cut?

STEPS TO MEET GRAMM-RUDMAN-HOLLINGS REDUCTION

Mr. **Billington**. The total before the 4.3 was $1,263,000, and the fellowship program was cut by $54,000; conference planning was cut by $21,000. We reduced the book budget by 10 percent, which itself was barely increased in recent years. Acquisition of books and periodicals serve as a basic resource for the fellows and the Quarterly. We also are reducing the purchase of supplies, equipment and maintenance by $10,000. We have held down staff costs by $15,000 in total. We have saved $136,000 of the $145,000 by those measures.

OFFICE RENOVATION

Mr. YATES. Tell us about construction. Last year, the committee made available $50,000 for construction. I think you have spent to date approximately $17,000. Is that correct?

Mr. BILLINGTON. Yes. That is correct.

Mr. YATES. What happens to the balance?

Mr. BILLINGTON. We are investigating further construction possibilities, not in the Octagonal Tower as originally hoped, which proved after a study by the Smithsonian unable to be developed into enough office space to be worth the cost, but in the Flag Tower where we are having some difficulties with overcoming fire and safety regulations, we still hope to be able to reprogram some of that money for additional space which, of course, we desperately need.

So far, we have only spent $17,000 of the $50,000, and we have informed this committee of the slight change in utilization of that fund.

Mr. YATES. Would you want to use any of the balance to buy the books he says you need? Do you want a reprogramming of some of that money? The money ought to be either recaptured or reprogrammed rather than just having it set aside for some idea of construction for the future, shouldn't it?

Mr. BILLINGTON. Well, yes, I think that would be very helpful if possible.

Mr. YATES. Do you want to testify as to that or submit a memorandum for the record?

Mr. BILLINGTON. Why don't we submit a memorandum if we could on that. That would be very helpful.

[The information to be furnished follows:]

THE WILSON CENTER

PROSSER GIFFORD, Deputy Director

April 22, 1986

The Honorable Sidney R. Yates
U.S. House of Representatives
Washington, D. C. 20515

Dear Mr. Yates:

This is to request reprogramming authority for the Wilson Center totaling $134,000. Reprogramming among the Center's six budget categories is sought, both to achieve the overall Gramm-Rudman-Hollings required reduction and to accommodate a shortage in operating funds, recognized by the Office of Management and Budget and rectified in our FY 1987 budget submission. Details of the reprogramming request are outlined in the accompanying charts.

As Chart I indicates, the Center began FY 1986 with an operating deficit of $109,000 (column 3). This deficit relates to salaries, for which the budgeted amount is not sufficient to meet existing costs ($46,000); to additional telephone charges due to a new billing system instituted by the Smithsonian Institution in FY 1985 ($40,000); and to underfunding of the intern/work-study program ($23,000). These amounts fall under the "Scholar Support," "Public Service," and "General Administration" categories. By means of several belt-tightening measures, we have been able to reduce that deficit to $69,000 (Chart I, columns 4 and 5).

The total FY 1986 Gramm-Rudman-Hollings required reduction is $145,000 (Chart I, column 6). Upon receipt of our appropriation, we took steps to sequester $80,000 toward that reduction in the "Fellowship," "Building Requirements," and "Conference Planning" categories (Chart I, column 7). However, because the Center continues to operate in a deficit situation in the "Scholar Support," "Public Service," and "General Administration" categories, we are unable to meet the Gramm-Rudman-Hollings reductions totaling $65,000 in those categories (Chart I, column 8).

In order to cover the existing operating deficit of $69,000 and to achieve the balance of $65,000 in the Gramm-Rudman-Hollings reduction, the Center requests reprogramming authority of $134,000 among its six budget categories (Chart I, column 9).

Financial Measures Taken to Date

(1) To reduce operating deficits

The Center already has taken several steps to reduce the current-year operating deficit. Together these steps will result in savings of $40,000 in the "Scholar Support," "Public Service," and "General Administration" categories. Specifically, we have reduced the library budget, canceling several heavily used indexes such as the Cumulative Book Index and Congressional Information Service Index and Abstracts. The Center has placed a freeze on all discretionary personnel actions, curtailed office-machine maintenance agreements for the balance of the fiscal year, deferred repairs to basic furnishings, and placed a hold on all but critical purchases. We also will cancel stipends for summer interns or require the individual programs using them to defray the cost with nonappropriated monies. Finally, as a last resort, we are anticipating a mandatory across-the-board furlough of two days for all of the Center's employees. It is important to note that these measures are possible as one-time emergency steps. To carry them over into the next fiscal year would have grave consequences for the operation of the Center.

(2) To achieve the Gramm-Rudman-Hollings reductions

The Center thus far has been able to meet the Gramm-Rudman-Hollings requirement in three budget categories: "Fellowships," "Conference Planning," and "Building Requirements."

A fellowship reduction of $54,000 has been achieved by calculating stipends on the basis of a 12-month year compared with the prior practice of computation according to the 10-month academic year. To date, we are not aware of declinations resulting from the reduced stipend amounts for the year 1986-87, but it is far too soon to assess the longer-term impact of this action: whether or not the Center will become less competitive with comparable granting institutions. With the late passage of the FY 1986 Appropriation Bill, we were able to reduce allocations to "Conference Planning" and "Building Requirements" by $21,000 and $5,000, respectively, without any detrimental effects to these categories.

Proposed Reprogrammings

-- Needs

Taking into account the measures already taken, the total remaining reprogramming needs for the "Scholar Support," "Public Service," and "General Administration" categories are $134,000 (Chart I, total of columns 5 and 8). The sum of $30,000 needs to be added to the "Scholar Support" category, consisting of $20,000 to meet the existing salary and intern/work-study program deficit, and $10,000 needed for the Gramm-Rudman-Hollings reduction. For the "Public Service" category, which consists almost exclusively of personnel costs, an additional sum of $45,000 is required. The "Administration" category has a net shortfall of $59,000, of which $40,000 stems from the deficit in the communications account; the balance of $19,000 is in salaries.

-- Proposed sources of funds to meet FY 1986 needs

With the approval of the subcommittee, a total amount of $134,000 would be available this year for reprogramming from the "Conference Planning," "Building Requirements," and "Fellowship Program" budget categories.

In the "Conference Planning" category, we are able to identify savings of $94,000 (in addition to the $21,000 originally sequestered), by cutting federal funding for two conferences planned for early FY 1987, reducing the federal contribution to another, and abolishing the planning allocation for future conferences. The two conferences for which we propose to eliminate funding in FY 1986 are "East-West Relations after Geneva" and "German-American

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Relations." It is possible to relinquish this funding since the two conferences are not scheduled until early FY 1987, and we will try to increase our private-sector support for these conferences in the interim. The federal contribution to "The Concept of Liberty: Its Development and Meaning in France and the United States" can be reduced because we succeeded in obtaining larger private contributions than anticipated. Advance planning monies for future conferences, although important, can be forgone with difficulty because, again, we will try to replace them with some private funds.

A sum of $31,000 (in addition to the $5,000 already sequestered) has become available in the "Building Requirements" category. As noted in our reprogramming letter of February 27, 1986, the Center had hoped to create one or two additional fellows' offices in the Flag Tower. Serious unresolved fire and safety problems associated with further construction in that tower now render unlikely any renovations there in this fiscal year.

The balance of $9,000 can be secured by a further reduction in the fellowship and guest-scholar budget. Guest scholars typically come to the Center for short terms of one to three months and contribute significantly to the intellectual vitality of our programs. A reduction of $9,000 means, for example, that the Center could support two fewer guest scholars this year.

We regard this action as undesirable, but regrettably necessary. We have tried to protect both our fellowship program and our staff from serious adverse effects of budget reduction. But in the end we see no alternative in FY 1986 to a further reduction in our fellowship and guest-scholar budget (equivalent to the loss of two guest scholars) and a mandatory two-day furlough for all federal employees.

The reprogrammings proposed in this letter were developed only after a thorough review of all our needs and priorities. We can assure the subcommittee that the reductions proposed in this letter are considered as one-time emergency measures and as a last resort. Chart II summarizes in tabular form the Gramm-Rudman-Hollings required reductions by budget category compared with those which would be effected if our requested reprogramming is approved.

Thank you very much for your consideration of the proposed reprogrammings. They are of crucial importance to the Center in this fiscal year.

Sincerely,

Prosser Gifford

Prosser Gifford
Deputy Director

Attachments

Chart I

FY 1986 Proposed Reprogramming
Woodrow Wilson International Center for Scholars
($000's)

(1) Category	(2) FY 1986 Appropriation	(3) Base Shortage Start of Year*	(4) Effect of Actions to Date to Reduce Shortage	(5) Existing Shortage	(6) G-R-H Requirement	(7) Effect of Actions to Date to Meet G-R-H	(8) Balance Needed to Meet G-R-H	(9) Proposed Reprogrammings In (+) Out (-)
Fellowship Program	1,263	0	0	0	-54	-54	0	- 9
Scholar Support	243	32	-12	20	-10	0	10	+30**
Public Service	745	27	-15	12	-33	0	33	+45**
General Administration	509	50	-13	37	-22	0	22	+59**
Building Requirements	125	0	0	0	- 5	- 5	0	-31
Conference Development	487	0	0	0	-21	-21	0	-94
Total	3,372	109	-40	69	-145	-80	65	0

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*These have been identified and addressed in the proposed FY 1987 budget approved by OMB.

**Sum of columns 5 and 8.

Chart II

FY 1986 Proposed Reprogramming
Woodrow Wilson International Center for Scholars
($000's)

Category	FY 1986 Appropriation	G-R-H Requirement (4.3% by Category)	Proposed
Fellowship Program	1,263	-54	-63
Scholar Support	243	-10	+20
Public Service	745	-33	+12
General Administration	509	-22	+37
Building Requirements	125	- 5	-36
Conference Development	487	-21	-115
Total	3,372	-145	-145

BASE SHORTAGE

Mr. **Yates**. I suppose you have been busy.

Mr. **Billington**. We have been very busy. Maybe it would be useful, Mr. Chairman, if, by way of rapid summary——

Mr. **Yates**. He doesn't know what I am leading up to, does he?

You have been very busy because on February 28th we sent you a letter in which we asked you to be prepared this morning to tell us how you want to reprogram the $33,000.

Mr. **Yellin**. We are prepared to talk about that.

I would like to mention that we have been holding discussions and we have a problem of $145,000 from Gramm-Rudman. In addition, we have a base shortage problem which was expressed in the 1987 budget, mainly in the administrative area.

Mr. **Yates**. What does that do to your administration?

Mr. **Yellin**. It puts us in a very, very difficult position.

Mr. **Yates**. In what way?

Mr. **Yellin**. We simply can't equip our scholars with adequate supplies and equipment. We are really running terribly short.

OFFICE EQUIPMENT AND SUPPLIES

Mr. **Yates**. What kinds of supplies and equipment?

Mr. **Yellin**. Typing tables, and adequate office equipment such as bookshelves. The most basic items for their maintenance as scholars. We have tried to address this by asking for an increase in supplies and equipment in the 1987 budget——

Mr. **Yates**. What happened to your other scholars? Did they have bookshelves?

Mr. **Yellin**. It is a cumulative deficit. What the center has done is to beg, borrow and steal—not steal literally.

Mr. **Yates**. Just rob, not steal?

Mr. **Yellin**. Exactly. What has happened is that the basic chairs and desks that the scholars have are falling apart and we are making an attempt in this budget to correct this past deficiency. We have equipped them in the past through surplus and surplus is drying up, in short.

Mr. **Yates**. What about your endowment? Why don't you tap that for shelves for books?

Mr. **Yellin**. I think the purpose of the endowment is to develop over the long-term adequate moneys to supplement larger items. We feel that the tapping of the endowment for basic administrative items would really be contrary to the purpose for which it was approved.

Mr. **Yates**. How much is involved in bookshelves for the scholars' books?

Mr. **Yellin**. The equipment that we require for all the offices will be about $20,000 additional for the Center.

Mr. **Billington**. Mr. Chairman, I might just add that when Mr. Yellin arrived, he had very considerable experience within the Smithsonian. As our administrative officer, we charged him with a change in that position. Mr. Dunn retired this year. We asked him to make a comprehensive review of the whole administrative situation and this careful identification of a not-very-large, but still significant, base shortage has been one benefit of that very thorough review of our entire administrative expenses as have the, we think, modest, but long overdue administrative support requests which we have included in this budget.

Both of these items, in effect, are kind of long deferred increases in the administrative base which we think we have carefully targetted and discretely limited, but which really are essential for the overall functioning of the Center. We have been absorbing them on the private side, whereas now the demands on the private side are vastly increased.

REDUCTION BY OMB

I have some statistics on the dimensions of the increase in activity in this Center which I would be happy to just briefly outline for you to give you some sense of how things have increased at the Center and why there is this need to rationalize and bring up to date both the base—the modest base shortage that exists—and also the core administrative costs. It doesn't add up to a great deal and we are still taking quite a cut from the amount this committee proposed last year, a cut of $1,100,000.

Mr. YATES. Why did we cut so much—4.3 percent is $145,000.

Mr. BILLINGTON. Yes. It is the endowment of two——

Mr. YATES. Let's take a look——

Mr. BILLINGTON. The matching endowment support from last year and of course, the nearly $500,000 in conference support, which has enabled us to plan an extraordinary group of 19 conferences for this year on a wide variety of subjects, which I could itemize for you. They are itemized in the testimony.

EFFECT OF CONFERENCE REDUCTION

Mr. YATES. We would like to know how you are being hurt by the cutback in conferences. What conferences will be lost as a result of these cutbacks?

Mr. BILLINGTON. We have a list, a detailed itemized list, of fiscal year 1987 conferences, but we haven't yet crossed the bridge of determining which ones will be lost. The conferences scheduled under the Conference Development Fund that was included in the fiscal year 1986 appropriation, Mr. Chairman, represented a real breakthrough in the Center's ability to plan, and expand these multi-day conferences to make them, in effect, a secure part of the presidential memorial.

Let me see—from 1982 to 1986, our number of multi-day conferences more than tripled, so we have 19 this year. We had 6 in 1982. These have been extraordinarily important. They include major conferences on American options for the Philippines, West German and American policy reassessment of East-West relations after the summit. These have already taken place. A major one was the Harvard project on avoiding nuclear war, on alternatives to deterrence—these are major international conferences held just in the past few weeks.

We have coming up one on a half century of diplomatic relations with the USSR, the Soviet-American conference that had its origins in congressional leadership visits, the first international conference ever held anywhere on Burma, a country seeking closer relations with America, a conference on the Soviet Union and Marxist revolutions in the Third World, a conference for the 100th anniversary of the gift from France of the Statue of Liberty. This conference will be the major intellectual element in the national celebration, and it will be held here with a return conference to be held in Paris. The conference on the 40th anniversary of the Fulbright program will assess the largest academic exchange program in world history.

Mr. YATES. What is being cut out?

Mr. BILLINGTON. These are the ones scheduled just for this year.

Mr. YATES. Are they not going to be held?

Mr. BILLINGTON. They will be held because of the committee's magnificent provision of this conference grant for this current year. What we are saying is that that entire thing has been cut out for next year.

FY 1987 CONFERENCES

Mr. YATES. You have no conferences scheduled for next year?

Mr. GIFFORD. We have a schedule, but OMB cut out——

Mr. YATES. What schedule do you have? How many conferences were you going to hold?

Mr. BILLINGTON. We had a substantial number roughly parallel to the 19 that we are having this year.

Mr. YATES. That doesn't tell us anything. How many conferences were you going to hold? What is the cost going to be?

Mr. BILLINGTON. What we had scheduled for next year, for what we hoped to schedule for next year was about 19 conferences again, the same number we had this year, for which we had hoped to get——

Mr. YATES. Does the state of your budget at the present time mean that you will be holding no conferences next year?

Mr. BILLINGTON. We will probably hold a greatly reduced number.

Mr. YATES. Tell us what you are going to be holding. As of now, OMB has stricken all the money for your conferences. Does that mean you will be holding no conferences next year?

Mr. BILLINGTON. No, it means we will be holding less conferences and doing less with some of the ones we will hold.

Mr. YATES. Where will you get the money for the conferences?

Mr. BILLINGTON. We won't be able to get most of it.

Mr. YATES. If OMB doesn't give you money for any conferences, where will you get the money?

Mr. BILLINGTON. We will have to go to private sources, foundations, et cetera.

Mr. YATES. Do you have conferences scheduled for next year?

Mr. BILLINGTON. Yes, but this is the difficulty: We can't count on a fund of this kind. We had more or less assumed that there would be a comparable grant for the following year in planning those developments. We are very careful not to make absolute commitments unless we have the money to honor them, but our planning calls for that amount of conferences once again.

Since we don't have the money, we are going to have to radically reduce the plan.

Mr. **Yates.** The alternative is to reorder your various programs or to have reprogrammings and have some of the money that you had for scholar support for public services or general administration or building requirements reprogrammed. You can't do that. You are down to skeletal expenses for your——

Mr. **Billington.** Support of a program that has 255 meetings a year, that has a large number of scholars——

Mr. **Yates.** So you need that. You are talking about conferences as a separate matter?

Mr. **Billington.** Yes, sir.

Mr. **Yates.** You are still going to hold conferences you said?

Mr. **Billington.** We will.

Mr. **Yates.** Where are you going to get the money?

Mr. **Billington.** Well, we are going to have very much——

Mr. **Yates.** In the first place, how much money do you need?

Mr. **Billington.** We calculated in our tentative planning or fiscal year 1987 that we would need about $690,000.

Mr. **Yates.** For 19 conferences?

Mr. **Billington.** On the Federal side.

Mr. **Yates.** Assuming you don't get the $690,000, how much money will you need for whatever schedule of conferences you have?

Mr. **Billington.** It is difficult to get a precise answer because we would have to eliminate some of the conferences and concentrate the fund-raising efforts for the ones with the most probability.

Mr. **Yates.** Does the record show your proposed schedule of conferences that you don't have any money for presently by list of the conferences and the individual expenses for each one?

Mr. **Yellin.** Yes, sir.

Mr. **Yates.** Is that now in your justification? Is it a memorandum you propose to submit?

Mr. **Yellin.** It would be a memorandum. We didn't request this because OMB disallowed this item.

[**Committee note.**—The information was subsequentially provided to the committee.]

Tentative Schedule of FY 1987 Conferences

"Crisis Management and Soviet-American Relations"

This two-day conference will include leading specialists on Soviet and U.S. strategy, as well as a diverse small group of technology specialists. The conference sessions will focus on the following issues: (1) a historical examination of cases in which the superpowers alerted or threatened to alert their nuclear forces; (2) the nature of emerging technologies in the field of command, control, and communications--and their implications for strategic doctrine and operations; and (3) the political context within which future crises might occur (e.g., escalation from regional conflicts, etc.); institutional and operational measures to prevent and ameliorate crises. In order to disseminate more widely the findings of the experts' meeting, the conference will be followed by an "evening dialogue" for 50-60 nonspecialists from government, business, academia, and journalism. The conference papers will be edited for publication.

Federal Appropriation Required: $ 25,000

"The Psychology of Terrorism"

Though an understanding of terrorism is difficult to achieve without an understanding of its psychology, the psychology has not been adequately studied. This two-day conference will attempt to summarize what behavioral scientists have learned about terrorism, what they should now aim to learn about it, and how that knowledge can help in assessing, and responding to, the terrorist phenomenon. An attempt will be made to stimulate new work in this area as well as promote the exchange of ideas between specialists and nonspecialists from government and elsewhere. Topics will include the psychology of rational choice; studies of individual terrorists; terrorist groups and organizations; the readiness to kill and die; research on violence and aggression; hostage crises and negotiations; the effects of military responses on terrorist behaviors; the pressures on national leaders during times of terrorist threat; and the impact of terrorism on the modern consciousness.

Federal Appropriation Required: $ 40,000

"New Priorities in China Studies"

The transformation of U.S.-China ties since 1979 has had a major impact on the study of China and initiated a serious rethinking of conventional wisdom about China's political, economic, and strategic policies. The shift of research opportunities from Taiwan and Hong Kong to mainland China and the implications of this for research will be assessed. The program will be designed around fellows at the Center, policymakers, congressional staff, and members of the business community. A publication will result.

Federal Appropriation Required: $ 35,000

Tentative Schedule of 1987 Conferences

"Australia, New Zealand, and the Pacific Islands in Transition"

The vast region of Oceania has attracted policy attention because of the critical sea-lane routes in the area and because of increasingly critical positions assumed by newly independent states. Soviet activities in the region have also generated serious debate. This six-part seminar series will focus on the issues of U.S. interests in the region, opposition to nuclear weapons, Soviet influence, energy needs, post-independence political structures, and economic development strategies. Publication is planned.

Federal Appropriation Required: $ 30,000

"The Space and Telecommunications Revolution in the Pacific Basin"

This event will be a two-day conference to explore the communications future in Asia. China, Japan, and other countries in Asia are seeking to dominate the strategic and space communications in that area. This is a challenge and opportunity for the U.S. space and telecommunications industry. The conference will bring experts from all parts of Asia to meet with American policymakers and industry representatives. Report will be produced.

Federal Appropriation Required: $ 50,000

"Does the Study of Japan Serve U.S. National Interests?"

Japan studies in America have been dominated by Japanese funding and intellectual priorities. This three-day conference will examine the evolution, funding, intellectual vitality, and problem orientation of Japan studies in relation to American needs to compete effectively with Japan. This follows on an earlier conference by the Asia Program on "Getting America Ready for Japanese Science and Technology" and will involve policymakers, members of Congress, businessmen, and scholars.

Federal Appropriation Required: $ 40,000

"The Prose of Turgenev"

This conference will be the second in a series of meetings with Moscow's Gorky Institute of World Literature and will be held in July 1987. The significance of the conference is that the Kennan Institute has an opportunity to conduct regular meetings with a counterpart institution on the Soviet Union, something neither the institute nor other U.S. organizations have been able to do. Given the recent warming of U.S.-Soviet relations, a change in this trend appears possible. The conference hopefully will provide American specialists on Turgenev the opportunity to gain new insight into the work of Ivan Turgenev. The conference will result in a monograph with English and Russian editions, leading to greater exposure for American specialists in the U.S.S.R. and Soviet specialists in the United States.

Federal Appropriation Required: $ 25,000

Tentative Schedule of FY 1987 Conferences

"Soviet-Balkan Relations"

Many observers believe that the Balkans have entered a period of greater political instability than usual. Contributing to this instability has been the passing away of strong leaders in Yugoslavia and Albania, ethnic strife in Yugoslavia, sharp economic decline in Romania, problems of establishing a democratic government in Turkey, and somewhat anti-American foreign policy of the Socialist government in Greece. The purpose of this conference is to assess what the prospects and problems are for the expansion of Soviet influence in this region. A conference report and a conference monograph will result from this conference.

Federal Appropriation Required: $ 30,000

"The Soviet Decision-Making Process"

This process is the most concealed of all the mechanisms of Soviet politics, yet also the most important one for Western policymakers to understand. Two factors make possible a determined group effort to understand it better than in the past: the arrival in the West in recent years of some high-level Soviet defectors with personal knowledge of the Kremlin's workings, and painstaking empirical work by a few Western Sovietologists using Soviet sources. The conference will aim to cross-fertilize these two groups and make a breakthrough to a higher level of insight.

Federal Appropriation Required: $ 30,000

"Portugal's Transition to Democracy and Its Changing International Role"

This conference, tentatively scheduled for April 20-23, 1987, will have as its background theme Portugal's special identity. There will be a brief session on the 1974-75 transition, analyzing the role of the army, of former colonialists, the origins and formations of the political parties, the formation of the constitution, and the role of the media. Another session will examine Portugal's emerging new international role with its influence in Southern Africa, South America, Asia, and ties with the United States. A session is also envisioned on strategic questions with Portugal's role in NATO and its strategic "Atlantic Triangle" to be discussed. Finally, there will be a session on Portugal's changing economic picture, including a progress report after more than a year of membership in the European Community. Participants will include political figures at the highest level from both Portugal and the United States, the leading scholars in the world on the topics outlined earlier, and prominent representatives of the Portuguese and American business communities.

Federal Appropriation Required: $ 60,000

"Italy: Political, Social, Economic, and Cultural Developments"

This will be a major international, three-day conference to be held in the latter part of FY 1987 that will deal with important developments in Italian society. Specifically, the conference agenda includes political

Tentative Schedule of FY 1987 Conferences

evolution in Italy since World War II, the structure and development of the Italian economy, social developments (industrialization, terrorism, religion, etc.), cultural trends and perceptions abroad, and Italian-American relations. Participants will include senior government servants, representatives of all the major Italian political parties, leading academics, prominent industrialists and business people, a few thoughtful nationally syndicated journalists, a few leading religious figures, and the U.S. counterparts of these individuals.

Federal Appropriation Required: $ 65,000

"The Cultural Context of the Development of the American Constitution"

The conference will be held in commemoration of the bicentennial of the U.S. Constitution. It will explore recent scholarship on the intellectual origins of the American system of government, and relate the development of constitutional institutions to evolving concepts of equality, pluralism, federalism, relations between church and state, and other topics.

Federal Appropriation Required: $ 50,000

"Ethical Considerations of Administrative Discretion"

The dramatic increase in the number of regulatory agencies since the New Deal raises ethical problems arising from policy discretion by nonelected officials. While legislators are subject to the dual constraints of political pluralism and accountability through elections, nonelected officials have little in the way of theory to guide their behavior in the world of policy determination. The dramatic expansion of the government's undertakings has left many pockets of discretionary authority lodged among individual public officials despite determined efforts to limit discretion with substantive and procedural rules. This conference will explore the ethical issues involved when nonelected officials make policy choices that involve competing values. Participants will include public officials, both elected and nonelected, and scholars. A publication will result.

Federal Appropriation Required: $ 30,000

"Prospects and Problems for the East European Economies in the Late 1980s"

Papers will be presented by leading American, British, and West German economists on the challenges facing the East European economies in the period 1986-90. Rather than aggregate growth rates and trade figures, attention will be focused on energy constraints and the role of reduced Soviet supplies, the troubled agricultural sectors and consumer welfare, industrial policy and the progress of economic reform, the prospects for East-West trade and CMEA integration, and also East European business practice and Western technology transfer.

Federal Appropriation Required: $ 25,000

Tentative Schedule of FY 1987 Conferences

"Urban Development in Eastern Europe: Historical Perspective and Future Prospects"

Papers will be presented by leading American and East European urban historians, sociologists, and geographers on the explosive growth of the East European capital cities and the socioeconomic consequences, both before and since the Second World War and in the forthcoming decade. Special attention will be paid to industrial geography and pollution problems, housing patterns and public transportation, local government and urban planning, and also problems of education and social deviance.

Federal Appropriation Required:	$ 12,000

"Economic Issues Series"

A series of dinner discussions will be held in which some of the foremost practitioners and scholars in the field of the Latin American economy present formal addresses to a senior audience of financiers, business people, and scholars with an established interest in the area. The speakers generally come from important government or financial backgrounds in Latin America, the United States, and Europe; the audience is generally drawn from the world of affairs in Washington and New York.

Federal Appropriation Required:	$ 9,000

"Topical Issues Meetings"

These meetings enable the Latin American Program to cover the immediate and ongoing crises of such interest to the Washington community. They vary in scope from informal, off-the-record breakfast meetings to full-dress dinner discussions featuring outstanding figures from Latin America and a large, select audience. The former may involve administration figures discussing policy, the latter an archibishop, a writer, or a statesman discussing those aspects of a particular crisis in which they have played a role. The colloquia are less formal variations on the dinner-discussion model.

Federal Appropriation Required	$ 6,000

"Editors' Conference"

These conferences comprise one of the Latin America Program's most successful "outreach" efforts; they involve putting some of the foremost scholars and practitioners handling topical issues before an audience of media people who report on Latin America or assign others to the region. The idea is to give the media people different points of view and a glimpse of the complexity behind the issues on which they must report.

Federal Appropriation Required:	$ 3,000

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Tentative Schedule of FY 1987 Conferences

"Latin American Ideological Reconstruction Series"

This is the series in which the Latin American Program is attempting to take part in Latin Americans' general reassessment of the various fields of thought and practice crucial to the region. For FY 1986, these include:

"Literature and the Social Sciences." We generally agree that Latin American literature had a "boom" and social sciences have enjoyed expansion and sophistication since the 1950s. But, in regard to the social sciences, there is some consensus that they might not have achieved grasp and maturity. The LAP hopes to explore the possibility that something of the vision and comprehension of the literary endeavor might benefit policymakers and social scientists.

"The Central Role of Economics." An analysis of the impact of economic thought (right, center, and left), its influence on the social sciences, the role of experts and technicians, and economics' utility in the discussion of political and cultural questions. Since economic questions are inextricably knit to those of politics and society, we will attempt, not to separate them artificially, but to focus on their interdependency.

"A Usable Past." This is a call, not to professional historians, but to persons of historical imagination. Now that so many prominent thinkers are moving beyond the failed hopes and fears of previous decades, the time has come to take the measure of Latin American origins and ponder them for a sense of new direction. For some time, the expectations of 1950s developmentalism and modernization theory have been in shambles. So, too, the prophecies and certainties of Marxism have been recognized as obscure and limiting, while the formulae of dependency theory are continually modified to take one contingency or another into account. If so much social-science theory has proven awkward and inept in dealing with the present and the future, perhaps one must turn to the past.

Federal Appropriation Required:	$ 90,000

"Caribbean Conference"

This conference is intended to reassess the social-science and literary tradition of the Caribbean, in the attempt to identify perennial problems and pick out those aspects which define the region's culture. This, as the initial meeting in a proposed series, will also be used for planning purposes.

Federal Appropriation Required:	$ 25,000

"Humanities and Social Science Series"

This proposed series will bring up outstanding figures in Latin America's social sciences and humanities to make formal addresses before select audiences. The Latin American Program's hope is thus to promote understanding of current trends in these fields and to broaden common U.S. perception of the region to one that goes beyond the political and economic crises to a sense of the region's rich cultural and scholarly realities.

Federal Appropriation Required:	$ 10,000
TOTAL Federal Appropriation Required:	$690,000

OMB ALLOWANCE

Mr. Regula. You say OMB disallowed it. Did they give you a total that you could prioritize or did they say we will let you have $314,000 more for administration, but cut you to zero in conferences?

Mr. Yellin. They itemized for us. We asked for the administration, conference, and endowment increase on appeal.

Mr. Billington. The conference was a continuation of the previous year's appropriation.

Mr. Yellin. They cut all proposed program increases out in their initial go-around, and on our appeal they allowed the administration increase, but did not allow the other two items of proposed increase.

Mr. Regula. They allowed increases in other items like fellowships, scholar support, and public service?

Mr. Yellin. Basically for cost of living and needed administrative costs, yes.

Mr. Billington. They also cut out, however, two additional fellowships and two additional posts for the West European program.

FY 1987 AND FY 1986 COMPARISON

Mr. Regula. I see your total is roughly $40,000 over what finally was the fiscal year 1986 request.

Mr. Billington. Our total—what they have allowed is $1,100,000 less than what was proposed in fiscal year 1986.

Mr. Regula. Yes, that is included in the endowment, but I am talking about the Federal funds.

Mr. Billington. More than $3.5 million less than our original request.

Mr. Yates. But that includes $3 million more for the endowment?

Mr. Billington. That is right.

Mr. Yates. But without that, you got an increase?

Mr. Billington. No, we still have a net decrease because of the total cutting out of the conference fund.

Mr. Regula. You didn't have any conference money in 1985. What did you do there, or didn't you have any conferences?

Mr. Gifford. We had a lot of conferences.

Mr. Regula. Well, your 1985 appropriation shows zero for conferences.

Mr. Gifford. I think I am responding to both of your questions. On the fiscal year 1986 conferences for which we had allocated $466,000 in Federal dollars, we also will spend non-Federal, non-appropriated funds, mostly foundation and private funds of approximately $397,000.

So there is a very substantial private conference budget that existed in 1985 and would exist in the future, but what the Federal money does is enable us to do a great deal more and do what we do better.

Mr. Regula. So that if there were no Federal money for conferences in fiscal year 1987, you could still do some, but you would have a reduced schedule depending on how much you could allocate from non-Federal funds; is that correct?

Mr. **Billington**. That is exactly right. My guess would be, though, that the number would be reduced to something like seven or eight, at the most, because you lose not only the Federal appropriation, but you lose the leverage that the Federal appropriation gives in persuading people that this is already going to happen.

PAYMENT OF CONFERENCE EXPENSES

Mr. **Regula**. Now on these conferences, if you bring people from, say, the Soviet Union to participate, do you pay all of their expenses as part of that cost?

Mr. **Billington**. No. Most of these involve some shared costing. The plan is that they will bring themselves here—the people from the Soviet Union, now that the Aeroflot flights have been resumed—they will assume their own expenses. We only support them when they are here. As in the French and German case, it is part of the home and home series in which there is an agreement that we will get our people there, they will get their people here and we will support them once they are here.

So, in addition to the Federal funds and the non-appropriated funds in most of these conferences, there are often invisible contributions from a foreign country.

EDUCATIONAL VALUE OF CONFERENCES

Mr. **Regula**. The conference is designed to educate the participants, but how does this produce something of intellectual value to non-participants?

Mr. **Billington**. In a variety of ways. That is exactly what the conference fund that this committee created last year has enabled us to stabilize and to guarantee, because one of the most important benefits of this funding is to assure that each conference reaches a published result. Here is an example of a conference that this committee discussed last year that happened to be on Japan and the Middle East and alliance politics, about which there is a published result that is widely disseminated, usually free of charge.

Second of all, there is the weekly radio program, the numbers of stations carrying it has sharply increased this past year, so almost any conference has a radio program.

Thirdly, the Wilson Quarterly often does pick up some part of it.

Fourthly, because they take place in Washington in the castle, they are often covered independently by the media. For instance, for our Spanish conference, one of a whole host of redemocratization conferences, the President of Spain came over. That was very widely covered in Spain, was not perhaps a totally untimely operation in that it occurred in this period when Spain was debating its own future relationship to Europe and NATO, which had a happy result.

That conference was heavily covered in Spain, and so there is publicity abroad and at home through the regular media. There is our own journal, our own weekly radio program which invariably builds on these conferences, and then there is a direct published result of the major proceedings.

Finally, there are often short reports in response to a concern that this committee expected, could we get something out fast for all the meetings we read about in our monthly calendar, but never get to attend. We now have short published reports and the individual programs often have their own newsletters——

Mr. YATES. We gave you the money for that, though.

Mr. BILLINGTON. Yes, sir, but the point is there isn't as much to report, as much to put in that pipeline if we don't have these major conferences which are the principal generating device to fill the airwaves, to fill the reports with something of a real substance.

NUMBER OF CONFERENCES

Mr. REGULA. How many did you have in 1985 since you were doing the private funds?

Mr. YATES. Didn't you have 19 conferences in 1985?

Mr. REGULA. In 1982—they vary from year to year. In 1982, there were six. I think there were 12 in 1985, and 19 in 1986.

The 1985 ones were funded entirely by endowment?

Mr. BILLINGTON. Private funds. There were 12 in 1985 and 19 this year, so there has been a fluctuation, but there is no doubt that this FY 1986 conference fund has enabled us to increase. The difficulty is that once one has that level of conferences—we don't by any means, incidentally, do all the conferences we are asked, but the assurance of a conference fund enables us to plan rationally, to plan for the long-term, and if we have to go back to an ad hoc funding arrangement, there will be a considerable amount of decrease in the numbers and to some extent a decrease in our credibility as a national institution to mount what are, for our presidential memorial, our version of our public exhibitions.

FY 1987 BUDGET PRIORITIES

Mr. REGULA. You have had requests in general administration there. If we have to make priority choices, even though OMB has made this one, could you take a reduction in general administration if it were to be used for conference planning, because you are up $114,000 in general administration and down $466,000 on conference planning and if we have to deal in totals in terms of priorities, can we make those judgments and still meet your needs?

It would be nice to have it both ways, but that may not be possible.

Mr. BILLINGTON. I understand, but it would be an unpleasant choice.

Mr. REGULA. Most choices are.

ADMINISTRATION PRIORITY

Mr. BILLINGTON. Let me just explain to you that I think the administrative support has got to be our base priority, because we have simply expanded this center.

We have expanded it and we have stretched its central administrative support beyond the point where we could responsibly do anything else unless we were to get this kind of modest increase. Just to take the decade between 1976 and 1985, the last year for which we have full statistics, the numbers of fellows and guest scholars has nearly doubled, the number of all meetings has more than doubled, the number of books published annually, this is another product of basic fellows, has nearly tripled.

The number of studies, published papers, has nearly doubled just in the last two years. The number of multi-day conferences has tripled from 1982 to 1986, so we simply have added a base of activity that, even if it were to be reduced, would still require a more secure administration.

Mr. Regula. Maybe you ought to have fewer scholars and publish fewer volumes. We are going to have smaller staffs because the Clerk has advised us that we have to scale back.

Mr. Yates. If we have smaller staffs, maybe they need larger ones.

Mr. Regula. I am just saying that everybody is asked to tighten their belt and I can understand you would like to expand all these activities, but suppose that there were fewer scholars, fewer publications.

[Committee note.—The information was subsequentially provided to the committee.]

FY 1987 Priorities

The Center's highest FY 1987 priority is to obtain an adequate base of administrative support, and an additional amount of $292,000 over the FY 1986 appropriation is sought. Core administrative support provides the foundation on which all of the Center's programs are built. Continuation of the administrative deficiency not only places an inordinate fund-raising burden on the private side, but also serves to weaken the operation and functioning of the Center as a whole. Therefore, the FY 1987 budget request as approved by OMB emphasizes the strengthening of the administrative apparatus.

FY 1986 Conference Planning monies already have proven to be of substantial benefit, making possible conferences that could not have occurred without the federal appropriation and wider dissemination of their results. The Center's tentative FY 1987 conference schedule has been submitted as a prior insert. To make that schedule, or anything approaching it in the number and variety of conferences, a reality, continuation of the federal conference planning appropriation is required.

To allow for the continuation of some federal conference planning monies, the Center is prepared to defer until FY 1988 a total of $70,000 of the proposed FY 1986 increases for administration and scholar support, including $10,000 of the $23,000 addition sought for the intern and work/study program, $17,000 for 12 computer work stations for fellows, $16,000 for books and periodicals, and $27,000 for "supplies, equipment and other," or one-half of the amount requested for those categories. Further reduction of the Center's proposed administrative increases would not be possible without severe disruption to the program of improvement initiated this year.

PROGRAM GROWTH

Mr. Yates. Don't you have to digest some of these things? You have tripled, that is a rate of increase that is stupendous, isn't it?

Mr. Billington. We have only very modestly increased either the number of fellows or the number of staff with which we are doing this. That is the point. What we are getting is, I think, a greatly increased outreach and impact with very much the same basic base, so our budget really hasn't increased that much, and I would be happy to spell out in detail any of a variety of cutbacks, but I would remind you that we have expanded very modestly. We have expanded in programmatic ways.

It is hard to cut back the programs—they have an average at any given time of a little over four fellows in the individual programs at any time. If you have less than that, you lose the critical mass so it is better to cut out programs.

I would ask the committee, do you think that Asia and Mr. Morse should be eliminated or Latin America——

Mr. **Regula**. We have to make tough choices and you are talking about $3.266 million versus $3.227 million, which is a modest increase in total.

Mr. **Billington**. No——

Mr. **Regula**. I understand that, but that is the real world.

ENDOWMENT

Mr. **Billington**. Even leaving out the one million dollar endowment match that was cut out, we are still down about $100,000 from what was proposed last year.

Mr. **Regula**. I am talking about in terms of what you actually got under Gramm-Rudman. You got $3.227 million, right?

Mr. **Billington**. Yes.

Mr. **Regula**. And what they are proposing for 1987 is $3.266 million, which is using the Gramm-Rudman number on 1986, you are up in 1987 by about $40,000.

Mr. **Billington**. You are taking everything out because you are also taking out the one million dollar endowment from last year.

Mr. **Regula**. I understand.

Mr. **Yates**. That is what you took out I thought, but he is doing it comparing programs without the endowment, isn't that what you are trying to do?

Mr. **Regula**. Yes.

Mr. **Yates**. I don't understand how his answer is pertinent. Where are you hurt? In other words, our guests from Japan probably are going to wonder whether they ought not to give you the million dollars again this year, because apparently that is what is causing the difficulty, isn't it? There is no difference in figures in your non-appropriated fund except for the million dollars you have lost from the Asiatic countries, is there?

Mr. **Billington**. We didn't lose a million dollars from the Asian countries.

Mr. **Regula**. You got a million dollars from Japan last year, did you not?

Mr. **Billington**. Yes.

Mr. **Regula**. But you don't get that this year?

Mr. **Billington**. That is right, but that is an endowment.

NON-APPROPRIATED FUND ESTIMATES

Mr. **Regula**. But then I look at your figures, your justification—page 32 and page 36, the only difference between those two figures is the million dollars that the Japanese gave you last year, right?

Mr. **Yellin**. Mr. Chairman, on page 36, the 1987 estimate is very much of an estimate which was prepared a year and a half before the beginning of the fiscal year.

Mr. **Yates**. Are you telling us that you are not going to be bound by the figures you have given us?

Mr. **Yellin**. For the 1987 private figures, we have to say that they are estimates, that we prepare a year and a half in advance of the fiscal year——

Mr. **Yates**. Is this the triumph of hope over experience then?

Mr. **Yellin**. I think that might be the case, sir.

Mr. **Yates**. What would your best guess be then? This was your best guess a year ago. What is your best guess today?

Mr. **Yellin**. I think it is still our best guess because we are trying to get through 1986 and we are not into 1987 yet.

Mr. **Yates**. Are the 1986 figures firm?

Mr. **Yellin**. Firmer than the 1987, but I wouldn't say they are exact.

Mr. **Yates**. You said the 1987 figures aren't to be accepted at all. When you say the 1986 figures are firmer than 1987, that doesn't mean anything, does it?

Mr. **Yellin**. I think it does. We are in the midst of 1986 and fund-raising efforts are taking place now for many of the items included.

Mr. **Yates**. How well is the fund-raising going?

Mr. **Yellin**. I think it is going fairly well.

Mr. **Yates**. Then you will get your targets for 1986, won't you?

Mr. **Yellin**. We hope so.

Mr. **Yates**. If it is going fairly well, that would indicate to us that you are going to be able to achieve your financial goals.

Mr. **Yellin**. At the present time, we think we can.

Mr. **Yates**. You have five months left?

Mr. **Yellin**. Yes, sir.

Mr. **Yates**. How much of your money have you raised?

Mr. **Yellin**. I would have to submit the precise figures for the record.

[The information follows:]

FY 1986 PRIVATE FUNDS RAISED

Through the first six and one-half months of FY 1986, the total sum raised by the Center is $2,725,000, or 59 percent of the $4,652,000 estimated in the FY 1986 budget for the entire fiscal year.

FY 1986 FUND-RAISING

Mr. **Yellin**. Many are firm figures. We have the Asian program endowment. We have received money for the Kennan endowment, and for the Eastern European program and the Kennan program from the Title VIII appropriation, and we have received a substantial portion of the funding with the help of the Federal conference money for the 19 conferences that were listed in the budget presentation, so we are doing very well with the assistance of the Federal appropriation in 1986.

Mr. **Yates**. Then I think you are doing very well, too. You are doing well financially and you are doing well operationally. You are establishing a very proud record and I think that is fine. The only question is what do we on this side of the table do faced with Gramm-Rudman and the necessity for trying to get a budget through that Congress is willing to accept.

Mr. **Regula**. And the President.

Mr. **Yates**. Well, the President often quotes Woodrow Wilson so perhaps he will be sympathetic to this appropriation.

FY 1986 OPERATING PROBLEMS

Mr. **Yellin**. May I state for 1986, the fact is that we are not having an easy year at all. We have made the cuts to the conference program and to the fellowship program, $21,000 and $54,000 respectively.

NUMBER OF SCHOLARS

Mr. **Yates**. Is that two scholars—how many scholars do you have aboard for 1986?

Mr. **Yellin**. We have the equivalent of 35 fellowship years federally funded, but we have room for 41 at a time.

Mr. **Yates**. What do you mean by room?

Mr. **Billington**. We have offices for them. The defining thing for us is we don't take anybody for whom we cannot provide a residential office and so forth, so in effect 35 out of 41 fellowship years are covered on the Federal side. The other six fellowship years are part of our fund-raising.

Mr. **Yates**. So you have 41 offices and 35 people to fill them; is that correct?

Mr. **Billington**. Thirty-five federally funded——

Mr. **Yates**. Filled offices?

Mr. **Billington**. Filled offices.

Mr. **Yates**. Do you have any non-federally funded filled offices?

Mr. **Billington**. Yes.

Mr. **Yates**. How many?

Mr. **Billington**. Well, it is——

Mr. **Yates**. You have got 41 offices. You can't have more than 41, can you?

Mr. **Billington**. At any one moment.

Mr. **Gifford**. Some people stay for less than a year so we have many more people than 41 during the course of a year.

Mr. **Yates**. How many did you have in 1985?

Mr. **Gifford**. During the course of fiscal year 1985, we had 80 people.

Mr. **Yates**. Eighty people; and how many are you scheduled for for 1986?

Mr. **Billington**. Well, it runs out about that level.

Mr. **Yates**. I am trying to understand your program and I want you to explain it in a way that we can understand it. I am trying to associate it in terms of dollars that you need. You need so many dollars for so many scholars; is that correct?

Mr. **Billington**. Yes.

Mr. **Yates**. And so you had 80 scholars in 1985 at a cost of how much?

Mr. **Gifford**. Can I try——

Mr. **Yates**. Sure, Mr. Gifford.

Mr. **Gifford**. Several years ago, at the suggestion of Congress the fellowship stipend, annual fellowship stipend was tied to a particular GS level, GS-13, Step 1, and we had 35 of those years federally funded. We also have, however, money from some foundations and money from some other sources to support fellows.

We try to run full year-round. Since people don't necessarily stay for 12 months, we have many more people than 40—than the 40 fellowship years. We had about 80 people—fellow and guest scholars last year. We would like to have about the same number this year, but if we don't get an equivalent amount of private funds to do that, we will have slightly fewer people.

Mr. **Yates**. Well, but OMB has made funds available for 35 scholars?

Mr. **Billington**. Yes, OMB has not touched that. Only Gramm-Rudman touched that.

Mr. **Regula**. Would the chairman yield?

Mr. **Yates**. Sure.

PRIORITY CHOICE BETWEEN FELLOWSHIPS AND CONFERENCES

Mr. **Regula**. Given a priority choice which would be more beneficial to society, the fellowships or the conferences? You know, it is nice to have fellowships and they produce reports, probably most of which are not ever read by anybody.

Mr. **Yates**. But assume they are read by somebody, it is still nice to have them, but can you do it, that is the question?

Mr. **Regula**. I am asking a priority choice here, in terms of its benefit to society. That is the only way we can justify spending the taxpayers' money is that there is a benefit to society.

Mr. **Billington**. It is like saying which is more beneficial, having a battery that charges an electric system or wires that deliver for you sitting there with your electric light, the ordinary guy who wants to have electric lights in his home, and you say, is it more important for me to have a battery that is charging and a generator that is generating electricity or wires that deliver it and a switch that turns it on.

Mr. **Regula**. But you are overlooking the fact that you can get a small or big battery and lighting system so you are saying we need to balance between the two and we need to take the total and apportion it as best we can given the fact that we still have to deal with the total, because this bill in total, if it comes out of here too large, it is going to be vetoed.

VALUE OF CONFERENCES

Mr. **Billington**. I wouldn't presume to say what any of your final decisions would be, but I would be delinquent in my responsibility as custodian of this operation if I didn't tell you about the opportunities that I think are available through the Wilson Center for a small amount of money the Center requests. These meetings are major international meetings. The one with the French, they are opening the Senate of France.

Mr. **Regula**. I think you are saying the conference may have a little more value than having such a large number of fellowships.

Mr. **Billington**. I would point out that the value of our conferences as distinguished frankly from an awful lot of other conferences in a lot of other places is that ours are based on a solid base of scholars, and scholarly participation. We have a base of in-house scholars who at the same time, are not just personally licensed. It is constantly rotating. It is not just a small group of people that are self-perpetuating.

I think our conferences make a difference because they are different and worth doing and worth doing in the increased numbers that we have developed because they are not just recycling the psychodrama of the McNeill-Lehrer show over again. They are conferences that have a scholarly base.

One reason the Congress asked us to set up this major conference that we are doing this year on Soviet-American Relations was because they were annoyed at getting little bits and pieces of history. They wanted a real group of scholars to come together, first to go over and tell them what they could extract from the history that wouldn't be just somebody's propaganda or random point of view and have a discussion of policy based on that scholarly base.

If you cut off the scholarly base, you are going to change our conferences into just any other conference. We don't just do conferences because we think they are fun. They are a lot of work. We do them because they are not being done elsewhere or with as deep a scholarly base.

There is a thirst for that in this city, for conferences that people know will be non-partisan, not selling anything on the one hand and it is going to have real scholars pouring their scholarship directly into conversation and not just posing as scholars and giving you more psychodrama or politics.

INTERRELATIONSHIP BETWEEN FELLOWSHIPS AND CONFERENCES

Mr. REGULA. You are saying people in fellowships are also participating in conferences, so there is an interrelationship.

Mr. BILLINGTON. There is an interrelationship. That is the inhouse faculty. They are being consulted on what we ought to be doing, what kind of questions we ought to be asking. Most conferences are put together by those who only occasionally consult the scholar, usually only the one on their rolodex file that already agrees with the point of view they have.

We view it as our responsibility to confer widely. The people here are here on merit, not upon some "good old boy" net. I think there is an intimate relationship between the two aspects to this. It seems to me that is what the Congress had in mind when interacting in the field of ideas.

In the city of affairs, if you cut out the base of ideas, you are in the long-run turning down the wattage of the electricity. We think our job is to try and see if we can get more life in this. That is what we would like to generate a little more of.

On the other hand, we don't want to blind ourselves in our own studies, we would like to share that light, and that is what we have developed with a great deal of difficulty, the capacity to do this in ways we think are efficient, and we share it in the ways we have described.

So there is a relationship, and there is also a critical mass. Our number of overall fellows and staff has not been a growth industry, so if you ask us about how we cut it back, we just don't have the luxury of having had much growth in those key core capacities.

NEED FOR COMPUTERS

Mr. YATES. Tell me about universities. Does each of the universities have a computer for each of its professors, assistant professors and associate professors? You are asking for it.

Mr. BILLINGTON. No, I don't——

Mr. YATES. You are asking for 37 personal computers. You have 41 offices, and you have 35 scholars and residents, you are asking for 37 personal computers.

Mr. YELLIN. The personal computers are for staff, including word processing capabilities, and for scholars as well.

Mr. YATES. How many computers do you have for your staff?

Mr. YELLIN. We have about five of them on-hand. Throughout the center, we are essentially computerless, and we don't have any of the capabilities the computers will provide.

Mr. YATES. Does Hewlett-Packard make a personal computer? Why don't you have Mr. Packard give you a gift? I mean, he is a very generous man.

Mr. BILLINGTON. He is our largest single donor.

Mr. YATES. I know. He is a very generous man. You listen to each of the agencies come in for a request for computers. A computer, of course, is a marvelous instrument, it is essential these days. Except I wonder, you have pools for other types of things, why can't you have a computer pool? Say if you have 10 computers, can't your scholars get time for computers, as you do when you go to a tennis court, for example?

Mr. BILLINGTON. I will turn this over to Mr. Yellin, but I just wanted to say on private funds, we did a special study of how computers—we didn't want to just sort of let them grow. We wanted to see what made sense, and they came up with some suggestions and a plan which Mr. Yellin implemented, which would give us tremendous lead, much greater return for essentially the same amount of money we first envisaged when we discussed this with the committee last year.

I would like for him to tell you about it, but I assure you that this is one of the devices, which in the long-run we can save on central administrative costs for the administrative side of it. I can assure you, as a scholar, that there is a high need for our fellows because, unlike in universities, where they are doing a variety of things, with us, they are basically here to do a project, high-intensive production of manuscripts. Was it 44 books last year that were published by work done at the Center, I believe? Again, a marked increase over recent years.

And the number of colloquia is very unique. There have to be colloquial papers done. We have a very minimal typing support pool for these fellows, and if it weren't for the fact we got them hooked on these word processing machines, we would face much more horrendous kinds of overhead. It really is an efficient and necessary thing.

I speak as an old fashioned scholar who doesn't like quantified things, as you can probably tell.

Mr. YATES. I think the Director of the Institute ought to have a computer. Do you have one in your office?

Mr. **Billington**. I use a word processor myself. I use one all the time, and I get a great deal more work done, both administrative work, and occasionally late at night, even occasionally, a thought or two. Let Mr. Yellin answer your question.

Mr. **Yates**. I would think a tape recorder would be better for that.

Go ahead, Mr. Yellin, put it together.

COMPUTER PLAN

Mr. **Yellin**. Thank you, Mr. Chairman.

I would like to say that I approached the subject of computers very carefully because we didn't want to get ourselves in a position where we were asking for Federal money without having a very carefully laid out plan of what to do with the machines once they arrived. So we did raise money on the private side and did a very thorough study. We found that the computer configuration that we are requesting in this budget, which would be a one-time Federal cost, totaling approximately $187,000 over a two or three-year period, would solve three of our basic requirements; the first being word processing throughout the Center for both staff and fellows; the second being accounting for each program; and the third being list management, which is an important part of the Woodrow Wilson operation, including mailing lists for each program and for the Center as a whole.

So we know exactly what we are going to do with every machine we are going to bring in, we know exactly which software program we are going to use, we have a training plan, and I can personally assure the committee that none of the request is in any way excessive and that it will all be used very well. I believe—not to compare us with other agencies—but I think we are one of the few agencies that would make that claim because of the way we have approached this.

I think it also will improve our efficiency to a great extent. We are using the most old fashioned equipment throughout the center.

Mr. **Yates**. Isn't that good for old fashioned scholars?

Mr. **Yellin**. It is indeed.

MODIFICATION TO COMPUTER PLAN

Mr. **Yates**. We look at your study, and you have option A and option B. You picked option B, which is more expensive than option A.

Mr. **Yellin**. We can do a modification of option A by simply bringing in computers for a portion of our fellows on a slower rate. But I would like to say, Mr. Chairman, that more and more, we are finding that fellows are coming to the Center with computer requirements, with the requirements for a machine of their own. Many of them don't bring them along, they don't have them available, and it is virtually impossible, other than renting, which is horrendously expensive for us, to provide the machines. I spent, personally, a good deal of time trying to track down machines from fellows, and it has been very inefficient.

Mr. **Yates**. Where do they get the machines from? What does it cost them? Do you pay their cost of using the machines?

Mr. **Yellin**. We have been fortunate to borrow one or two machines from the Smithsonian, that currently have been taken back, and we actually had to rent two machines currently for two of our fellows.

COMPUTER RENTAL

Mr. **Yates**. What does it cost per year?

Mr. **Yellin**. It is about $400 per month for a machine so after six months, you have paid for the machine.

Mr. **Yates**. How much time does a fellow need with the machine? How long will the two fellows be with you?

Mr. **Yellin**. They will be with us for the next six to eight months.

Mr. **Yates**. Four hundred a month for six months is what, $2,400?

Mr. **Yellin**. You could buy the machine for that amount of money. More and more of the fellows are writing to us indicating they have computer requirements, and we would like to be able to provide some for them. We are certainly happy to phase them in for the fellows themselves, but eventually——

Mr. **Yates**. You have 35 scholars, and you use two borrowed machines from Smithsonian and rent two others, so 31 scholars are without machines, right?

Mr. **Yellin**. That is correct.

Mr. **Yates**. How do they get along without machines?

Mr. **Yellin**. And all of staff.

Mr. **Yates**. I thought you had five machines for staff.

Mr. **Yellin**. That is correct, sir.

Mr. **Yates**. How many staff members do you have who need computers?

Mr. **Yellin**. We have six other programs, other than the Kennan and East European programs that need computers, plus the administrative office, Mr. Billington's office, and Mr. Gifford's office. So we need computers in 9 offices where they presently are not located.

HIGH STATUS CONFERENCE PARTICIPANTS

Mr. **Yates**. You mentioned Spanish Prime Minister Gonzalez had prepared and participated in a conference. That was for fiscal year 1986, correct? Was the conference participation in 1986, 1985?

Mr. **Billington**. September of 1986, that is 1985, yes.

Mr. **Yates**. Are there other conference participants of the high status of Mr. Gonzalez that are scheduled to come?

Mr. **Billington**. Yes. We have a former President of Ecuador coming as a fellow in a few months, through our regular competition. I don't know that we have any heads of state, although we expect comparable representation.

Mr. **Yates**. Who do you expect to come who is a distinguished participant? Can you tell us who you have coming to the conferences you are particularly proud to welcome?

Mr. **Billington**. Sure. I would be happy to give you a list. You mean of forthcoming ones, or ones we have had recently?

Mr. **Yates**. Well, I think probably both. We would like to see that. Is that in your statement?

Mr. **Billington**. We have a fair amount in there, not specific names. If you want them, I would be happy to provide them.

[The information follows:]

List of Distinguished Conference Participants

At conferences we have held since September 1985, we have been pleased to welcome a number of distinguished foreign diplomats, officials, legislators, intellectuals, and scholars. At the conference on West German *Ostpolitik* and the Atlantic Alliance, participants included Henri Froment-Meurice, former Ambassador of France to the Soviet Union and to the Federal Republic of Germany; Gunter Gaus, State Secretary and Head of the West German Permanent Mission to the German Democratic Republic; Eduard Lintner, Chairman of the CDU/CSU Working Group on German-German Relations; Dietrich Stobbe, former Mayor of Berlin, and member of the Bundestag; Berndt von Staden, Coordinator for German-American Cooperation, Foreign Ministry, Bonn. Another distinguished German delegation participated in a conference at Airlie House in January; it included Kurt H. Biedenkopf, chairman, CDU Landesverband Westfalen-Lippe; Rolf Hüttel, Major General, Bundeswehr; Walther Leisler Kiep, treasurer of the CDU; Beate Lindemann, Research Institute of the German Council on Foreign Relations; and Konrad Seitz, Chief of the Planning Staff, Foreign Offfice.

From Eastern Europe we welcomed to the Center this year Ivan Berend, President of the Hungarian Academy of Sciences, and Peter Hanak, Professor of History there. We are about to host a conference on the environment in Eastern Europe which will bring to us Gyorgy Enyedi from the Hungarian Academy, and Emil Mazur, Director of the Geographical Institute of the Czechoslovakian Academy of Sciences.

In the July meeting to examine the concept of liberty in France and the United States, which is part of the centennial of the Statue of Liberty, we are hosting a most distinguished French delegation, including Rene Remond, President de la Fondation Nationale des Sciences Politiques, Francois Furet, Hautes Etudes en Sciences Sociales, and Francois de Laboulaye, the Ambassador of France to the United States. Representatives of the French government, who will be attending the ceremonies in New York, will also attend our conference, although we cannot be sure as yet exactly who they will be.

At our conference next year considering the neutral and nonaligned countries of Europe, we will have high-ranking government delegations from Finland, Sweden, Switzerland, and Austria. The Yugoslav delegation is likely to be composed primarily of scholars. In addition, we are hosting in the near future meetings with Carl Bildt, the conservative party parliamentary spokesman for foreign affairs and defense in Sweden, and with Klaus Törnudd, undersecretary of state for political affairs in Finland.

In June we are bringing together an international conference on Burma. We hope to have several high-ranking participants from Burma, although we are sure at this point only of Daw Than Han, from the Ministry of Foreign Affairs.

From the Soviet Union we have recently had as participants in meetings Viktor Mazolin, Institute of State and Law, Moscow, and Petr Paleyevsky, Gorky Institute of World Literature. In a recent conference on Soviet agriculture among a number of world experts were Karl Eugene Vadekin from West Germany and Alec Nove, from Glascow University.

In the Latin American field we have had as principals at meetings His Eminence Juan Francisco Cardinal Fresno Larrain, Archbishop of Santiago and Primate of Chile; Mario Vargas-Llosa, the Peruvian novelist; I. Roberto Eisanmann, editor of *La Prensa*, Panama; Jean Dominique, a radio journalist from Haiti; Roberto Da Matta, from the National Museum of Brazil; Julio Cotler from the Instituto de Estudios Peruanos; and Jeanette R. Grant-Woodham, President of the Senate, Houses of Parliament, Jamaica.

This list can only be suggestive and illustrative. During the course of a year we have literally hundreds of participants from many nations at our meetings, some of the less known of whom speak powerfully or poignantly to the issues under discussion. But we have tried to suggest by this list the range of countries, of perspectives, and of professional disciplines from which we draw participants.

WEST EUROPEAN PROGRAM

Mr. YATES. Why are the 1987 conferences so important when OMB has stricken them out? Not that I approve of the things OMB does, but OMB seems to have given you everything you asked for except the money for the conferences and for the endowment.

Mr. BILLINGTON. And for the two staff positions and two fellowships.

Mr. YATES. What are the two staff positions for?

Mr. BILLINGTON. Well, the other program secretaries and their secretaries are supported on the Federal side, and the understanding is, at least the way it has worked in the past, especially when they were setting up a new program, to see if we can get it started on the private side.

If it seems to work and we can fit it into our limited space requirements, the committee has recognized these are part of the Presidential memorial. So we had hoped this would be the case with the West European program, but it has not proved the case, so we are having to carry that still on the private side. So we were denied that. We requested two more fellowships to help get beyond the 35 number, where we have been for sometime. Those were also cut out.

So I think it was a fairly substantial reduction in terms of our request, which I don't think was exorbitant.

CRITICAL YEAR

Mr. YATES. You talk about critical mass. This is a critical year, and the question is, we don't know at this moment, just as you don't know what is going to happen to your conferences, we don't know what is going to happen to our Appropriations Committee bill. The question is this is a time when all agencies are being cut back. If I had thought you wouldn't have to resort to what seems to be a possibility, perhaps not a probability, but a possibility, of having another Gramm-Rudman cut, I don't know what it is likely to be that will spark that if it does happen.

I have taken the initiative and position with the committee and provided funding over the years. I think if we were able to get by with the OMB budget, we will have done fairly well.

MATCHING ENDOWMENT

Incidentally, the committee made available $1 million for your endowment last year. Have you matched that yet?

Mr. BILLINGTON. No. We are working on it.

Mr. YATES. Why should we put additional funds into the endowment if you haven't been able to match the million?

Mr. BILLINGTON. Well, because——

Mr. YATES. We ought to see before we ask you to match $3 million, three-to-one, which is another $9 million——

Mr. BILLINGTON. The trouble with endowment is you have a well-planned and focused campaign to be effective, and you have to know what you have got to match before you start. You can't take a little now and add a little later, because you are going to major donors for endowments. It is a difficult thing to do.

I have been working on it pretty hard, we have had some success so far. But to do a campaign that is going to produce the funds to provide significant relief from this very heavy burden of annual fund-raising, one has to organize one's self for an endowment campaign, one can't do some this year and a little more next year. You are dealing with major donors, you have to make a major pitch and present an image of both a secure and well-established institution with some long-range capabilities, and one that can present an endowment plan, which is much easier to do if you know what the base that you are going to match will be.

Mr. YATES. You have got an endowment plan for $1 million. It hasn't been matched yet. Should we wait to see if you can match that before we give you another three million dollars? If you were sitting here, isn't that what you would do?

Mr. BILLINGTON. Well, Mr. Chairman, I don't know what I would do if I were in your chair. All I can tell you, for somebody who has been working on this problem that the major endowers want to know what the total picture is before they put their piece in. So it is a help to know what that total picture is. If it has to be a $1 million match, that is fine, we will go ahead with it.

Mr. YATES. Tell them what your endowment hope is. It is not just a Federal appropriation for $1 million. You don't have a Federal appropriation for $1 million in mind, but you have a private endowment for how much?

Mr. BILLINGTON. We have had a consistent effort to get between $12 million and $15 million.

Mr. YATES. Federal or private?

Mr. BILLINGTON. Total. Twelve to 15 million dollars, most of which would be private, of course.

Mr. YATES. If you were going to get $15 million private, that looks to five million dollars public. Why don't you raise your $15 million private first, and then come to us and say "We have got the $15 million, can we have the match by the Federal Government?"

Mr. BILLINGTON. Well, it is a little difficult going to private donors.

Mr. YATES. You think it is difficult?

Mr. REGULA. I think we have to be up front.

Mr. YATES. You want to put five million dollars in? How much do you want to put in?

Mr. REGULA. Maybe what we ought to do is accumulate some. We can put so much a year in until they accumulate——

Mr. YATES. Shouldn't they have to match first? You put a million in, they don't have to match.

Mr. REGULA. Suppose they get the match, and we don't put in?

Mr. YATES. We put a million dollars in.

Mr. REGULA. I understand that. You are saying they should match this million dollars before we do some more.

Mr. YATES. Yes.

What does that mean, for the record?

Mr. BILLINGTON. We are giving Mr. Morse some new——

Mr. REGULA. That means it is your ball.

Mr. BILLINGTON. He may want to speak on this subject as well.

Mr. YATES. I don't know. Do you want to speak on this subject, Mr. Morse? Do you want to go like this and say it is your ball?

Mr. **Morse**. I don't want to speak, but I want to say something.

Mr. **Yates**. Before you speak, say something.

ENDOWMENT STRATEGY

Mr. **Morse**. I think, listening to what has transpired here and having been at the center for a few years now, we have made the tactical error at the Wilson Center of building a very low-key, high quality, non-entrepreneural but substantive institute that is respected worldwide, and we have never really gone out and put—on the private side, we have never been overly aggressive in trying to say to people, "You've got to give, you've got to give."

I think Jim was right, if you keep it within certain limits, and I think that is where we have kept it, it is very high quality. If you go too far in that direction, you tend to just spill all over the place.

Also, I think with the Congress we have done the same thing. We have neglected, to some extent, the central core administrative functions over the years because we haven't been aggressive enough. In conferences last year, you were nice enough to give us some assistance, and that made a big difference. I mean, some of the things we have been able to plan wouldn't have happened if we hadn't had some kind of support in that area.

So when you look at each of these areas, even if we have to reduce our conference scope a little bit, I still think it is important that that be considered seriously.

Mr. **Yates**. You are talking about endowment funding?

Mr. **Morse**. No. The conference funding. The endowment funding, my sense is it is true, we have not raised any money toward the million dollars Congress has given us, and if it is a three-to-one match, probably within a year, we probably won't be successful in raising more than a matching amount if we are very aggressive. In some sense, asking for it up front, like you say, in some sense before, we have proven we can match already what has been given to us is an important consideration. It doesn't mean in the long run that type of matching fund isn't important for the whole effort. It is a question of when you phase it in and in what way.

Mr. **Regula**. It would be easier for us to sell it if you have demonstrated you have already matched that one million dollars we put in.

Mr. **Yates**. That was the representation that was made to us, that you can't get private funds unless you have Federal funds, and we put the Federal funds in. We were told by Mr. Packard and another gentleman at the dinner saying, "Sure, we want to go out and raise it." I forget what he wanted. I think he wanted five million dollars or ten million dollars of Federal contribution.

Mr. **Billington**. I think there was a general agreement, at least at that stage, that three million was the desired contribution. Three-to-one gives you $9 million, that gets you to the $12 million. I think that was the general agreement. That is why we entered, in the original request the Office of Management and Budget, the $3 million, because we didn't know of that time that we would have the one million appropriation for FY 1986.

USES OF ENDOWMENT

Mr. **Yates.** What are you going to do with this $3 million when you get it?

Mr. **Billington.** It will basically give us budget relief of about half of what we have to raise annually with interest on it from the private sector now, and will enable us simply to redivert a tremendous amount of our attention from this constant fund-raising circuit, which in any event runs out after a while because the foundations and even individuals want to start you up, but they don't want to do it on an annual basis. They want to see something launched, they want a particular project. It would still leave us with half our project budget.

It would result at the full level and should result at some reduction of our request on the Federal side.

Mr. **Yates.** Jim, that doesn't tell us anything really when you say you want to be relieved of your fund-raising effort. What are you going to spend the money for? What do you need the $12 million for, when you say "be relieved of the necessity for raising private funds," that doesn't tell us what you want the money for.

Mr. **Billington.** The private side of our budget basically deals with publications, broadcasts, most of the meeting and conference budget, and a certain amount of staff. The Federal side basically covers administration staff and fellowships. So that is what we do on the private side.

Mr. **Yates.** How much money do you spend on the private side annually?

Mr. **Billington.** Two million——

Mr. **Morse.** An endowment of $12 million would yield about $600,000.

Mr. **Yates.** What——

Mr. **Morse.** Part of what we have been able to do with the appropriations last year, long-term planning, more systematic efforts. If someone says "We would like to do 'X' at such and such a point," you don't have to go out and spend three months raising the money, but say, "We have a certain amount of flexibility, and we can enter into an early phase in planning operations on that."

Publications, for example, are something we have done very often, like that one you have in front of you there, which is a photo offset. What we do is go into an agreement, just doing it sort of inexpensively. It would be better if we had funding, flexibility for typesetting and upgrading publications.

Mr. **Yates.** Do I understand what you are saying to be this, we can keep the Federal budget at present levels provided we give you the money for the endowment and use that money for your expansion?

Mr. **Morse.** By giving money for endowment, you mean how much?

EFFECT OF ENDOWMENT ON FEDERAL APPROPRIATION

Mr. **Yates.** Suppose we go to $12 million. You can use the private money for whatever, you can keep the Federal money at this level.

Mr. **Morse.** I don't know. You have to answer that, I guess.

Mr. **Billington**. Ultimately, I would have to talk to the Board of Trustees if we were faced with that kind of a choice. Sure, that is an option.

Mr. **Yates**. That is what I understood Mr. Morse to say. Did I interpret what you said correctly, Mr. Morse?

Mr. **Morse**. Yes.

Mr. **Yates**. I thought I did.

Mr. **Billington**. From the point of view of the short run, the immediate management of the center sustaining what we have, the conference——

Mr. **Yates**. What Mr. Morse is telling you is if we put the money in, you are going to have to have a hell of a private fund-raising. And private fund-raising, you get your $12 million, that is not going to stop you. If what you say is true, and Federal appropriation is at a fairly constant level, you are not going to stop your expansion, you are going to keep on expanding.

Mr. **Billington**. We are not.

Mr. **Yates**. You are not? Okay. The history of the Woodrow Wilson Center has been to expand and expand and expand. He has talked about the triple number of conferences, you are expanding the number of your scholars. You get an endowment of $12 million, that is not going to keep your present operations at a level, you are going to expand if you have your $12 million, aren't you?

Mr. **Billington**. Yes, but we are not going to expand beyond a very small amount.

USE OF $12 MILLION ENDOWMENT

Mr. **Yates**. Maybe we ought to have it for the record. What do you want to do with the $12 million? Do we have in the record what you want to do with your $12 million?

Mr. **Billington**. I don't think we do.

Mr. **Yates**. Tell us what you want to do with it. From what Mr. Morse says, perhaps it is well for the Federal Government if we provide the funds, keep the appropriation level where it is now and let you have your expansions out of the private funds. Right, Ralph?

Mr. **Regula**. I think what they are trying to do is get a million too. What you are saying is you wouldn't have to raise that much——

Mr. **Billington**. That would cover about half.

Mr. **Yates**. Appropriated levels would be constant.

Mr. **Regula**. They would change the effort they would have to put in to raise annual operating money each year.

Mr. **Yates**. And away they go, they can do whatever they want to do.

Mr. **Regula**. It would be comparable to the Smithsonian where they have a lot of money——

Mr. **Yates**. No, no, the Smithsonian has endowments, but it also comes in for increasing appropriations. If they are like the Smithsonian, they will be back for more money. The Smithsonian's operations are fine, I think the more we can study these problems and discuss them, the better off we are likely to be in this world.

But tell us, put the memoranda in the record as to how you propose to fund your operation with the $12 million or pieces of it. Expand on Mr. Morse's thesis that the Federal Government gets a much better bargain if you do it that way, because you keep your appropriation level constant, and you are off on a private fund-raising for wherever you want to go after that.

[The information follows:]

EXPENDITURE OF ENDOWMENT INCOME FROM A PRESUMED ENDOWMENT OF $12 MILLION

The expendabe income from an endowment of $12 million would be $600,000 per year—that is, a return of 5 percent. A draw-down of 5 percent on a total return formula (that is, taking into account interest, dividends, and appreciation of stock) is the rate of return recommended by the Investment Policy Committee of the Center's Board of Trustees. In order to ensure that the endowment at least keeps pace with inflation, earnings must be retained or reinvested at a rate equal to inflation (estimated currently at 3.9 percent). Thus, an expenditure of 5 percent and reinvestment of at least 4 percent requires a total return of 9 percent if the endowment funds are to retain constant value. Any growth in the endowment could occur only with returns over 9 percent. That is the reason why an annual expenditure of 5 percent has been deemed prudent in the current investment climate.

Thus, if we assume a total return of 10 percent on $12 million of endowment, $600,000 would be expendable, $480,000 would be retained to keep the purchasing power of the endowment constant against inflation, and $120,000 would represent growth of the endowment for future activities. It is the responsibility of the Investment Policy Committee of the Board of Trustees to review these percentages and allocations regularly and to make such adjustments as conditions require.

Of the $600,000 that would be available annually from an endowment of $12 million, at least half—or $300,000—would be required to relieve the heavy and depleting demands upon private funds for the support of essential staff positions, for the preparation of publications, and for outreach or dissemination through both print and radio. These funds would provide some modest relief from the heavy schedule of private fund-raising, often hurried and ad hoc. This would enable our professional staff to spend more of their key efforts on intellectual planning and editorial quality control.

The second half of the $600,000 annual income from an endowment of $12 million—or $300,000 (equivalent to the expendable income from an endowment of $6 million)—could be used to reduce the requirement for appropriated funds. We believe that the best use for such income would be to reduce the expectation of appropriated funds for conferences. Since conference planning requires a long lead time, income derived from endowment which could be counted upon one or two years in advance would ensure that for a core of conferences early commitments could be made. This is particularly important, for example, when major conferences are planned in cooperation with counterpart research institutes abroad, whether in Europe or Asia.

USE AND COMPENSATION FOR INTERNS

Mr. YATES. Why do you have to pay your interns, incidentally? We don't pay ours. They come for the experience, for the opportunity of working. I know that it is well if they work, they ought to be paid, but these are interns who come to your shop to learn, don't they, really, and make whatever contribution they can?

Mr. BILLINGTON. They make a tremendously important contribution, and in an academic context like that, if the kind of thing they are doing which often involves languages, computers, a lot of pretty sophisticated work, if they come on a totally gratis basis, you get into apprenticeship work study, the fellows would have to grade them, it becomes disguised teaching rather than demanding work.

Mr. YATES. That isn't true in our case. They work very hard for the opportunity of working here.

Mr. **Billington**. They work hard in any case. What I am saying is we don't allow any contract teaching. They are not just there to sit, they are there to work on a distinct, discrete, focused project, and if you end up getting free help in an academic kind of environment, there will be demands then to make it sort of disguised teaching kind of work study credit, people will ask for academic credit for it.

So a minimal funding really is important for them to function as they should.

Mr. **Yates**. What do you pay them now? What do you propose to pay them?

Mr. **Gifford**. $2.00 an hour.

Mr. **Billington**. Pretty sub-minimum.

Mr. **Yates**. That is sub-minimum. We are talking about a trifle, aren't we?

Mr. **Billington**. At least it has proved important to our kinds of projects.

Mr. **Yates**. Has it really? For $2 an hour? What difference does that make to most——

Mr. **Gifford**. Some individuals can afford it because their parents support them. Some individuals need cost of living expenses while in Washington. They live with friends and things like that. It is commuting costs basically, and lunch. For some people, that is important.

Mr. **Regula**. How much a month?

Mr. **Yates**. Two dollars an hour.

Mr. **Billington**. We provide much less support than comparable institutes. They don't do any kind of the typing of letters of recommendations. I get a lot of flack, and I am willing to take that, but one of the most affirmative senses that I get is the quality and motivation of these interns and the amount it helps to cut down—enables them to efficiently use the Washington facilities.

Mr. **Regula**. Do the fellows and the interns make extensive use of the Library of Congress?

Mr. **Billington**. Yes, they certainly do.

Mr. **Yates**. In the evenings, especially.

Mr. **Billington**. The big Philippines conference——

Mr. **Gifford**. The summer interns come from all over the country. During the academic year, they are mostly from Washington institutions.

Mr. **Yates**. We are going to have questions for the record.

We wish you bon voyage and good speed on your trip to Japan, which I understand you are going on this afternoon.

Any questions?

Mr. **Regula**. No. I have a couple for the record.

Mr. **Yates**. Thank you very much.

[Questions and answers submitted for the record follow:]

QUESTIONS FOR THE RECORD

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

1.

Q: Who selects the outside academic advisory panel for each of the Wilson Center programs?
- Upon what basis are these individuals selected?
- What is the source of funding used for their fees and travel costs?
- How much do they receive in fees?
- How often does the membership on these panels change?
- What is the source of funding used for the specialized staff person for each of the eight panels?

A: The panels are appointed by the director, and are advisory to him. In making these appointments he is guided by suggestions from the program secretary of the appropriate Wilson Center program, from members of the existing panel, from former fellows, and from distinguished professors in the requisite field who have had no prior association with the Wilson Center.

Panelists are chosen because of the excellence of their own proven work and scholarly judgment. Panels must consider proposals from a wide range of academic disciplines and backgrounds so that it is necessary to include within each panel people with a wide range of expertise from different academic disciplines, from or knowledgeable about different countries, and representing differing perspectives on important questions. It has also proven desirable to have on each panel some former fellows who know the Center's academic standards and special opportunities at first hand--and to have people with a breadth of interests and depth of concerns that enable them to compare and judge the overall importance of projects and not merely assess those within their own normal field of scholarly specialization.

While panels differ in the length of service required of their members, all accept the principle of rotation. The normal term is three or four years. Usually two or three members of each panel will be rotated off and replaced by new appointees every year.

Panelists have their travel expenses and hotel accommodations paid, and they receive an honorarium of $300 for the annual day-long selection process and for their prior reading of, and providing of comments on, up to 70 proposals. The panel costs for the Center's general Program on History, Culture, and Society are paid from appropriated funds. The other seven panels are paid currently from nonappropriated funds, although these costs are an integral part of the fellowship selection process.

The staff people assisting each panel are the regular program staff of the eight programs at the Wilson Center. This is one aspect of their regular duties and no special funding is required. Two staff members (the program secretary and assistant) in five of the programs hold federal positions; all the rest are paid by private funds.

2.

Q: How many candidates in FY 1987 will be from the "special invitation list" as opposed to the competitive application process?

A: Although we cannot yet be sure that they will be able to accept, two individuals from the "special invitation list" have been asked to come to the Center as fellows during FY 1987 (McNeill; Paz).

Q: The budget justification states that in the past seven years, only two individuals have come in with "out-of-cycle" fellowships.

- Discuss these fellowships and the research topics covered by these individuals.

A: The only two individuals processed with "out-of-cycle" fellowships during the past seven years are Mohamed Hakki from Egypt (June 1982) and Byong-ik Koh from Korea (January 1983). In both cases there had been earlier discussions about their research, but they had been precluded from applying in the regular competition by responsibilities they bore. Both became available to pursue research as fellows suddenly and unexpectedly--Mohamed Hakki as a consequence of President Sadat's assassination and Byong-ik Koh as a consequence of changes in the Korean government.

Mohamed Hakki came to the Wilson Center to do a book on Egyptian foreign policy. President Sadat had recalled him in September 1981 from his position as Counselor for Public Information and Press Affairs of the Egyptian Embassy in Washington to assume chairmanship of the State Information Service in Cairo. Sadat had high plans for Hakki and had assured him of cabinet status in the very near future as soon as the proper changes in the government occurred. This plan, and many other Middle East assumptions, were altered by President Sadat's assassination in October 1981. Hakki remained in his post and helped President Mubarak establish his own imprint on the presidential office. He then thought it was the proper time for him to take leave and put down his thoughts and assessments, which he had been organizing and collecting materials to support for some years, on a project entitled, "The domestic determinants of Egypt's foreign policy."

Byong-ik Koh came to our attention during the earliest stages of the planning for the conference on one hundred years of United States-Korean relations, which took place in June 1982. He was at that time president of the Academy of Korean Studies. It was his integrity and the wide respect in which he is held by both Korean and American scholars that enabled us to persuade a number of key participants to write papers for the conference. Koh had been president of Seoul National University during a difficult period and is recognized as a distinguished scholar and administrator.

At the Wilson Center, Koh worked on "Confucianism and its modern transformations." Knowing Chinese, Japanese, and Korean well, Koh was almost uniquely placed to re-examine the Confucian tradition in relationship to modern development and thought in East Asia. This is the sort of deep cultural examination of traditional values in relation to modern conditions which we particularly wish to encourage at the Center. What is particularly challenging is that the resurgence of interest in Confucianism is one of the elements leading individuals and groups to become entrepreneurs, to exploit opportunities, to take advantage of favorable conditions, and to shape their own destinies.

In both cases, the books begun during their time at the Center are still in progress. Articles have appeared, but the major books are not yet completed.

3.

Q: How many guest scholars are anticipated in FY 1986 and FY 1987?

A: Guest Scholar numbers are anticipated to remain almost constant: 23 in FY 1985, 21 or 22 in FY 1986, and an estimated 22 in FY 1987.

4.

Q: On page 31 of the 1984/1985 Annual Report under the Fellows and Guest Scholars section the statement is made that support for fellowship funding came from the Rockefeller Foundation, the Ford Foundation, the Volkswagen Foundation, the Japan Foundation and the Andrew W. Mellon Foundation.

- Will these foundations continue to provide support for fellowship funding in FY 1987?

A: Of the foundations mentioned in the 1984/85 Annual Report, only the Japan Foundation will continue to provide funding in FY 1987 for fellows and guest scholars (either from Japan or working on topics related to Japan). The A. W. Mellon Foundation supports research grantees--a separate category from fellows--in the Kennan Institute for Advanced Russian Studies. The Ford Foundation, Rockefeller Foundation, and Volkswagen Foundation continue to support programmatic activities at the Wilson Center, but the grants specified for fellowships have in each case been concluded.

5.

Q: Scholar Support. The Wilson Center is requesting an increased of $61,000 over the FY 1986 adjusted level for scholar support.

- The budget proposes that $16,000 of the requested increase will be used to purchase books and serials. Discuss the need for these additional resources and what the $16,000 will provide the Center.

A: Between 1970 and 1986, book prices increased by 156 percent and journal subscriptions by 428 percent. There has been virtually no increase in library acquisition funds since 1977. As a result, an increasingly large proportion of funds have had to be devoted to journal and other serial subscriptions, making it impossible to acquire monographic literature, and finally leading to curtailment of serial subscriptions, even eliminating such important items as Cumulative Book Index, Congressional Information Service Index and Abstracts, Historical Abstracts, and London Times Index. The proposed increase in funding would restore the possibility of purchasing monographs, restore essential serial subscriptions, and support the reference needs of the Asia, East European, and West European Programs.

6.

Q: Of the requested increase for Scholar Support, $23,000 is to go for interns and the Center's work study program. The justification on page 10 states that the "Center has been supplementing this amount regularly by almost $20,000 because the demand for interns has been so considerable."

- Will the Center consider continuation of this supplement in FY 1987?
- From what source of funding has the Center been able to provide this supplement?

A: The Center's intern and work/study program has proven to be an extremely valuable and cost-effective way to advance fellows' research projects, as well as to provide interns with the experience of working directly with a senior scholar. Interns and work/study students are assigned to fellows and guest scholars on a one-to-one basis. The average cost for each student is $1,050 per year. No increase has been provided since FY 1982. Moreover, funding for interns and work/study students has increased by only $5,000 since 1977.

The Center presently has work/study agreements with two local universities: Georgetown University and George Washington University. Under the terms of the agreement with Georgetown, students are paid by the university at the rate of $4.50 per hour, with the Wilson Center reimbursing the university for 40 percent of the cost, or $1.80 per hour. Students from George Washington earn $5.00 per hour, with the Wilson Center reimbursing the university for 20 percent of the cost, or $1.00 per hour.

Interns come to the Center from various colleges and universities throughout the country and are paid at a minimal $2.00 per hour.

Because of the proven and documented value of interns and work/study students to fellows, the Center, with the approval of the subcommittee, will consider this supplement again in FY 1987. In the past, unbudgeted monies for this program have been diverted from books and serials funds, and supplies and equipment, thus worsening a shortage situation in those categories. Unrestricted private monies in turn have been used to compensate for funding shortages in supplies, contributing to the overall deficit in the Center's unrestricted private accounts. Thus, to rectify the budget shortage that has developed gradually during the past decades, a total increase of $23,000 is requested for the intern and work/study program.

7.

Q: Public Service. The FY 1987 request includes an increase of $68,000 over the FY 1986 adjusted level for public service.

- The justification states that $35,000 will be used to fund the anticipated staff costs in FY 1987. Why have those staff costs increased?
- The justification states that the Center anticipates a delay in filling key vacancies in FY 1986, does the Center propose to fill these vacancies in FY 1987?
- If so, how many positions will that entail?

A: An increase of $35,000 is requested for higher staff costs in the Public Service category. The need for additional funds arises from mandated within-grade increases for 7 of the 17 employees in this category (+$7,000); the promotion of one employee ($2,400); and a new calculation of the salaries of these employees compared with available monies in the base (+$25,600).

The justification was not clear with respect to the statement on existing vacancies. The statement in the justification, "The amount reduced due to the FY 1986 sequestration can be met only through delays in filling key vacancies," was intended to mean that the Center could achieve the Gramm-Rudman-Hollings reductions in this category only by not filling vacancies if they occurred. To date, no such vacancies have occurred.

8.

Q: General Administration. The Center is proposing an increase of $314,000 over the FY 1986 adjusted level for General Administration.

[a] - Of the increase, $123,000 is proposed for expenses such as communication, supplies, etc. so that the Center will not have to drain its private monies to meet these costs. What will this additional funding provide the Center?

[b] - Why shouldn't funds from the Center's fund-raising efforts be used to help operate the Center?

A: [a] An additional amount of $123,000 is sought to defray increased telephone charges ($46,000), to rectify base shortages in miscellaneous services ($21,000), supplies ($16,000) and equipment ($20,000); and to defray partial space rental fees at L'Enfant Plaza for the Kennan Institute for Advanced Russian Studies ($20,000). Explanation of each proposed increase follows.

(1) Telephone ($46,000). Beginning in FY 1985, the Smithsonian instituted a new billing system for long-distance telephone charges. Under the new system, the Wilson Center is billed on the basis of regular sampling of actual calls. Charges under the prior system were prorated simply on the number of the Center's telephone instruments relative to the total in the Smithsonian. Although the Center makes every effort to hold down the number and length of calls and to charge appropriate calls to conference budgets, the nature of the Center's programs necessitates a relatively high volume of long-distance telephone usage.

The sum of $33,000 in the base is barely adequate to cover local service. The proposed increase would defray all existing telephone fees.

(2) Miscellaneous Services (+$21,000). The funding in this category covers a variety of services, including contractual word processing, audio-visual, guards and building-management services paid to the Smithsonian for special Center-wide events (over and above the general reimbursement provided to the Smithsonian), and training.

The base amount of $29,000 has not been adequate to defray the cost of those miscellaneous services. It should be noted that use of contract employees for word processing is cost effective in that such usage keeps down the size of permanent staff and permits the Center to meet workload requirements while the demand is heaviest. In addition to word processing a large portion of the proposed increase is needed for employee training for which the Center never established a regular budget.

(3) Supplies ($16,000). Included in this category are basic items, such as copy-machine paper, stationery, typewriter ribbons, pencils, and other office supplies. The Center has not received increased funding to cover the cost of essential materials since FY 1983, with the result that fellows and staff are inadequately supplied.

(4) Equipment ($20,000). The Center has 78 offices that have been equipped over the years largely with surplus chairs, desks, filing cabinets, and bookcases. An inventory of Center offices shows that much of the equipment has become unusable and needs to be replaced. In addition, to the extent that the Center's request for fellows' computers is approved on a phased basis, additional typewriters will be required. The Center's typewriter inventory also has been acquired mainly with surplus machines that cannot be repaired cost-effectively.

(5) Space Rental ($20,000). This sum would defray one-third of the annual rental costs for the Kennan Institute for Advanced Russian Studies. This request recognizes the fact that the Kennan Institute has relinquished for the Center's use approximately 900 square feet of space in the Smithsonian Institution Building. At the rate of $26.50 per square foot, the rate paid by the Kennan Institute for its new quarters at L'Enfant Plaza, the dollar equivalent of the space gained by the Center is $23,850.

[b] Considerable nonappropriated funds of more than $600,000 per year will continue to be used to help operate the Center--even with the approval of the full FY 1987 administration request. The Center's accountant, fiscal assistant, special-events coordinators, and an administrative secretarial position are all supported by overhead fees from grants received by the Center. All Wilson Center letterhead stationery costs are paid by private funds. During this past year, the Center sought and received contributed monies for a comprehensive office automation study so that federal support for office automation could be used with maximum effectiveness. Such fund-raising efforts for administrative purposes can be expected to continue.

However, to place further operational burdens on private fund-raising efforts would continue to detract from our fund-raising efforts for program (conferences and meetings) and endowment building purposes. Funds for administrative operations take an enormous amount of time and energy to raise and contributions for unrestricted administrative purposes typically are small. With an adequate administrative base, more attention by our small and overburdened staff could be paid to developing the intellectual content of major conferences and meetings and to seeking supplementary private funds for them.

9.

Q: Outline the need for an employee designated as a personnel management specialist for the Wilson Center.

- What services will the Smithsonian Office of Personnel Management continue to provide?

- What amount is included in the FY 1987 budget for reimbursement to the Smithsonian for these services?

A: The Wilson Center requires a personnel management specialist for the following purposes:
(a) review all position descriptions to assure that they are accurate, correctly classified, and in proper format;
(b) review and assist all supervisors in the development of annual performance plans; follow-up to assure that performance ratings are completed each year;
(c) develop complete vacancy announcements for Center-wide vacancies; issue announcements;
(d) counsel with supervisors and other staff when unsatisfactory ratings are given;
(e) develop reduction-in-force and furlough plans and prepare all necessary paperwork;
(f) assess training needs for all employees, and keep apprised of appropriate training opportunities;
(g) prepare statistical data as required by the Office of Personnel Management;
(h) develop a Trust Fund personnel handbook that explains the Center's Trust Fund personnel policies.

Under the proposed new personnel system the Smithsonian will continue to provide: advice on personnel matters; benefits administration; labor and employee relations; processing of personnel actions; distribution of personnel actions.

A sum of $10,000 is included in the Center's FY 1987 budget for these services, of which $4,000 is federal and $6,000 is contained in the Center's overhead budget.

(Committee Note: $10,000 is paid to the Smithsonian for these services.)

10.

Q: Building Requirements. In the discussion of building requirements, mention is made of the need for these resources to reimburse the Smithsonian for various services including security and building maintenance.

- How do these expenses differ from the expenses for miscellaneous services discussed on page 15 of the justification which include, "guards and building management services (for which reimbursement is made to the Smithsonian)"?

A: The sum of $75,000 included in the "Building Requirements" category is used to reimburse the Smithsonian for various administrative and building services, including General Counsel, Accounting, Personnel Administration, SI Libraries, Printing and Photo Services, Protection, and Plant Services. These latter two services cover regular, nonovertime building security and maintenance.

The reference on page 15 of the budget justification to fees for miscellaneous services provided by the Smithsonian refers to specific and additional charges paid to the Smithsonian. These additional charges are for use of personnel required to perform specific services for Center-wide events on an overtime basis. These services consist of labor for setting up tables and chairs for events, security, audio-visual, and photographic.

11.

Q: Discuss the progress being made in the Center's outreach program.
- The justification on page 27 states that the "Center now plans to devote increasing attention to the dissemination of its scholarly research." How does it propose to do this?

A: The Wilson Center's outreach program has four dimensions. The results of scholarly research done and conferences held at the Center are distributed in print at three different levels of formality and sophistication and are also distributed through a weekly FM radio program. We intend in the next few years to increase the scope and effectiveness of each of these means of dissemination.

The first level is that of meeting reports--short summaries of the principal points and lines of argument presented in meetings or discussions--included over the past two years with our monthly calendar. We developed the editorial capability to produce reports for our monthly calendar with the assistance of the Ford Foundation. In addition, several of our internal programs, drawing upon other private funds, are now issuing newsletters on a regular basis: the "Security Digest" of the International Security Studies Program, the "Meeting Report" of the Kennan Institute for Advanced Russian Studies, the "Meeting Report" of the East European Program, and the "Newsletter" of the Latin American Program. Unlike our calendar reports which are mailed monthly to all the 4,700 people who receive the calendar, the more specialized reports from our programs go to targeted lists. Nonetheless, in the aggregate the audiences for these specialized reports amount to an additional 8,000 people who receive summaries of Wilson Center meetings. We intend to improve the format and speed of preparation of these reports and increase their dissemination in the years ahead. All these newsletters are mailed free of charge to the recipients.

The second level of distribution is through conference reports or monographs produced relatively quickly (in two to four months) in substantial paperback form. These are often books of 150-200 pages and are produced in various formats. The purpose is to put ideas into circulation quickly and to stimulate discussion and reaction. These books are often copublished with the University Press of America or Westview Press or other organizations. The basic copublishing arrangement is that we deliver an edited, camera-ready copy of the final manuscript and the publisher bears all subsequent costs of printing, distribution, sales, and fulfillment. In a number of cases, such as Vietnam as History: Ten Years after the Paris Peace Accords (1984) or The National Interests of the United States in Foreign Policy (1981), these books have been reprinted several times and are used in college courses.

The third level of printed material is the substantial, hard-cover volume, usually printed by a university press, designed to be at the leading edge of scholarship, to have a substantial "shelf life," and therefore to warrant a lengthier and more costly publication process. These books are the planned results of major Wilson Center conferences, are integrated into conference planning from the outset in the selection of authors, the advanced circulation of drafts, post-conference revisions and editing, and the design of bibliographic and other supplements. The Wilson Center

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now has in progress a review by an experienced senior publisher of its existing and potential arrangements for handling publishing of the second and third levels. We anticipate that by 1987 we will have a more fully coordinated publication policy by which we will not only publish more, but do so in a coordinated series. Thus it will become possible to identify an aggregate contribution of Wilson Center books, rather than having volumes produced by a number of different presses--in attractive individual volumes, but with no apparent relationship to each other.

Finally, Radio Dialogue, the Center's weekly half-hour FM radio program has a growing national audience. We intend to pursue aggressively cassette sales and other modes of advertising as indicated in the answer to the question below concerning Radio Dialogue.

12.
Q: What is the status of the development of the Scholar's Guides on Washington-area research resources on southwestern Europe; on area map and chart collections; and on film and video collections?

A: (i) Guide to Map, Charts, and Aerial Photographs collections is scheduled for publication in mid-1987; (ii) Southwest European Guide is scheduled for submission to the SI Press in winter 1986/87 and for publication in late 1987 or early 1988; (iii) the revised and updated Guide to Film and Video Collections is currently scheduled to be submitted to SI Press in late 1987 for publication in 1988.

13.
Q: What is the present circulation of the Wilson Quarterly?
- According to the Annual Report on page 91 it states that circulation has dropped from 112,400 in 1984 to 111,884. What explains this decrease?

A: The paid circulation of *The Wilson Quarterly* as of January 1986 is 114,693. The drop in circulation from 112,400 in 1984 to 111,884 in 1985 is not considered significant. The *Quarterly*'s goal has been to maintain circulation of at least 110,000, a figure that gives it the highest circulation of any English-language intellectual quarterly in the free world.

14.
Q: According to the Annual Report on page 100, the radio program DIALOGUE has a vocal and growing audience.
- Describe the present distribution of this radio program and what rate of distribution is anticipated in FY 1987.

A: In April 1986 Radio Dialogue is broadcast by 170 stations of the Longhorn Radio Network, based in Austin, Texas, and is fed by satellite to 330 National Public Radio stations. We are not sure how many of the NPR stations use the program regularly, but we believe that 100 is a reasonable estimate, so that 270 stations nationwide use the program weekly.

For FY 1987, we anticipate that the number of Longhorn Radio Network stations will rise to 200 and that the number of National Public Radio stations using the program regularly will continue to grow. Equally important, the sale of our Radio Dialogue cassettes, made available through the University of Wisconsin extension service, has increased in FY 1986. Orders are now being placed by university and college libraries and schools as well as by individuals, indicating that the program is reaching educational institutions across the nation. Through Center newsletters and through advertising in The Wilson Quarterly, we are promoting cassette sales now that we have an inventory of more than 100 programs from which to draw. We anticipate that cassette sales will increase markedly in FY 1987.

15.

Q: In FY 1986 in a discussion of the relationship of the Wilson Center with the Smithsonian Institution's International Center, the Wilson Center provided a statement for the record which stated that a planning group was to be established by the Smithsonian to include staff of the International Center and the Wilson Center and to meet quarterly.

- Has that planning group been established?
- Who have been chosen as representatives of the Wilson Center?
- If the group has been established, how often has it met?

A: After discussion between Secretary Adams of the Smithsonian and Director Billington and with the concurrence of the Wilson Center Board of Trustees, it was agreed to keep the planning committee small and at a high level. It could be augmented on an ad-hoc basis dependent upon the issues under discussion. The two members of the planning committee are Dean Anderson, Undersecretary of the Smithsonian Institution, and Prosser Gifford, Deputy Director of the Wilson Center. They have met three times.

16.

Q: At the time your budget was put together you said you could not determine whether the reduction in stipend necessitated by Gramm-Rudman would result in fellowship declinations this year. Has it?

A: To date, we are not aware of declinations resulting from the reduced stipend amounts for the year 1986-87, but it is far too soon to assess the longer-term impact of this action: whether or not the Center will become less competitive with comparable granting institutions.

17.

Q: I notice in your budget justification (pg. 24) you say your ideas for the seminars focusing on crucial aspects of U.S.-U.S.S.R. relations resulted from proposals made by a leadership delegation of the House of Representatives during an official visit to the Supreme Soviet of the U.S.S.R. I was on that trip and am interested in your plans for these seminars.

A: The meeting on Soviet-American Relations currently scheduled for September 1986 is a major undertaking that results from a proposal made by the head of a leadership delegation of the House of Representatives, Thomas Foley, and accepted in principle by his Soviet counterpart, Boris Ponomarev, in July 1983 at a final banquet in the Great Hall of the Kremlin. Mr. Foley proposed a series of major meetings between scholars of both countries on Soviet-American relations to take place between the regular exchanges of parliamentary delegations by the House of Representatives and the Supreme Soviet of the USSR (and to involve parliamentarians of both sides in the discussions of the scholars' conclusions and recommendations). The idea was to have one meeting in Washington and another in Moscow--with this series being launched on the occasion of the 50th anniversary of Soviet-American diplomatic relations. Dr. Billington, who accompanied the American congressional delegation, was asked to follow up and arrange for participation by the American side on behalf of the Wilson Center.

The worsening of relations after the shooting down of the Korean airliner may have accounted for the long delay in Soviet responses to Dr. Billington's requests for implementation of this idea, but the Wilson Center did succeed in assembling five former American ambassadors to the U.S.S.R. and Ambassador Dobrynin, as well as a large number of Congressmen, for a dinner-discussion in November 1983 (paid for by nonappropriated private funds) on the occasion of the 50th anniversary of Soviet-American formal diplomatic relations which was addressed by the former Wilson Center fellow, veteran American scholar, and former ambassador to the Soviet Union, George F. Kennan.

The Speaker of the House, Thomas P. O'Neill, delivered a letter to his counterpart, Lev Tolkunov, urging follow-up on this proposal when the next leadership delegation of the House of Representatives went to the U.S.S.R. in the spring of 1985. Mr. Billington was invited shortly thereafter by the Vice President of the Soviet Academy of Sciences, P. N. Fedoseev, to visit Moscow and to discuss this project anew, which he did in May 1985. There were again some Soviet delays in responding to Mr. Billington's detailed proposal even though the language and outline were carefully worked out with leading Soviet academicians first in Moscow and subsequently in Paris. Fedoseev, however, has subsequently agreed to the meetings in Washington, and a distinguished team of American scholars has been assembled to prepare for this conference, which is now scheduled for September 22-23, 1986. It is our hope and expectation that not only this conference but the subsequent one in Moscow will take place and make a significant contribution to better understanding between our countries. The entire series will represent an innovative format combining a full-scale scholarly conference with more informal meetings (largely connected with lunches and dinners) and will involve leading legislators, giving them an opportunity to relate past history to present concerns.

This format represents an extension of the kind of interactive meetings between scholars and statesmen which the Wilson Center has been conducting and perfecting for more than a decade now. We believe it is a good example of fulfilling our congressional mandate to link the world of affairs and the world of ideas. We are honored to have been asked to develop this series, and we look forward to working with congressional leaders in bringing this proposal to reality.

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MONDAY, APRIL 14, 1986.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

WITNESSES

CYNTHIA GRASSBY BAKER, CHAIRMAN
JOHN M. FOWLER, ACTING EXECUTIVE DIRECTOR

Mr. YATES. Mr. Reporter, show the hearing as coming to order.

This is the hearing on the appropriation for fiscal year 1987 for the Advisory Council on Historic Preservation. Appearing in support of that is Ms. Cynthia Grassby Baker. She is accompanied by Mr. John Fowler, Acting Executive Director.

Ms. Baker's biography and Mr. Fowler's biography may be made part of the record following her statement, which may go into the record at this point.

[The statement and biography of Cynthia Grassby Baker and the biography of John Fowler follow:]

Advisory Council On Historic Preservation

The Old Post Office Building
1100 Pennsylvania Avenue, NW, #809
Washington, DC 20004

STATEMENT OF CYNTHIA GRASSBY BAKER
CHAIRMAN, ADVISORY COUNCIL ON HISTORIC PRESERVATION
BEFORE THE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR
U.S. HOUSE OF REPRESENTATIVES
APRIL 14, 1986

Mr. Chairman and members of the Committee, I am Cynthia Grassby Baker, Chairman of the Advisory Council on Historic Preservation. It is a pleasure to present our program and appropriations request for FY 1987. The Council values the support this committee has provided over the years.

The Council is an independent Federal agency created by the National Historic Preservation Act of 1966. The Council is composed of 19 members, including heads of Federal Departments, representatives of State and local government and the preservation community, and non-Federal members appointed by the President. Our FY 1986 appropriation is $1.575 million; our requested level for 1987 is $1.417 million. We have two principal duties: to advise the President and the Congress on matters concerning the national historic preservation program and to oversee the process the Congress devised under Section 106 to protect historic properties from needles harm by Federal activities.

Under Section 106, we review about 2,500 projects each year ranging from the construction of reservoirs and highways to the rehabilitation of historic buildings and the issuance of Federal permits. Between 600 and 700 of these projects involve consultation to deal with the effects on historic properties, with particular attention to mitigating adverse impacts. This process saves thousands of historic properties each year. It also saves the government money for two reasons. First, because we reach a firm and definitive agreement with the Federal project agency as to treatment of historic properties, there is a clear record of that agency's compliance with the law, and successful legal challenges, halting or delaying worthwhile projects, are almost impossible. Second, our review often results in the selection of an alternative for the protection of an historic property that costs less than the approach originally proposed by the agency. Our budget justification contains several examples of such instances.

During FY 1985 the Council continued work on improvements in the Section 106 process, which accounts for the major portion of the Council's program activities. In FY 1983, operational adjustments within the Council's control were implemented and FY 1984 witnessed significant improvements in the efficiency of the review of Federal undertakings. A major overhaul of the Section 106 regulations, which began in 1981, appeared to be reaching fruition late in the fiscal year. Proposed revised regulations were published for public comment on October 14, 1985 and final regulations are anticipated to be in place by the beginning of FY 1987.

Also important is the Council's statutory duty to make recommendations on policy matters affecting historic preservation. We have shared the results of our important studies with this committee in the past, such as our recent special report on Federal Historic Preservation Case Law. We look forward this year to providing the fruits of our assessment of the National Historic Preservation Act to the President and the Congress.

This overview of the NHPA will be combined into our annual report to the President and Congress. The Council membership will review the achievements of 20 years of the National Historic Preservation Act. From this review, we expect to highlight the program's numerous successes and also to identify those areas that deserve more meaningful attention. I am confident that the Council's efforts will contribute significantly to the legislative work of this committee and complement related studies and recommendations being prepared by the Department of the Interior and the National Conference of State Historic Preservation Officers.

The Council's two-day training course, "Introduction to Federal Projects and Historic Preservation Law," has prepared many officials to address the section 106 review process efficiently and effectively. Since its inception in 1981, the course has been offered over 50 times and has trained more than 1,300 officials. During 1985, the course was offered 14 times, training more than 380 Federal, State and local officials. Special training, under HUD's joint sponsorship, is planned for 1986 to train Community Development city officials. The results of the training have been apparent in subsequent Section 106 case consultation: trainees are better equipped to meet their preservation responsibilities under Federal law, and can more easily and quickly complete the Section 106 process.

These activities are being conducted within current levels of funding and personnel. Members and staff work together informally, with oversight from the Council members.

An important Council activity in the past few years has been our effort to help Federal agencies develop internal systems to deal efficiently with preservation requirements. We have emphasized programmatic consultation with agencies to harmonize the conduct of their principal missions with the policies of the National Historic Preservation Act.

The Council uses several mechanisms to attain this goal. Most useful is the programmatic Memorandum of Agreement, in which the Council, one or more State Historic Preservation Officers, and a Federal agency agree on a program for treating historic properties in connection with some large or complex Federal activity. This agreement supersedes application of the

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regulations to specific cases and is tailored to the needs of the agency, the particular activities, and the property types in question. The Programmatic Memorandum of Agreement reduces paperwork, speeds up the time frames for agency reviews of their undertakings and cuts back on the number of steps required in the consultation process. Additionally, the Council has provided supplementary advice to Federal agencies on appropriate, efficient and workable ways to deal with the Section 106 process. An example of this is guidance on the treatment of archeological properties.

We have found that the resources invested in these efforts reap significant dividends over the long term for both the Council and Federal program agencies. This programmatic approach to developing preservation systems is the key to sensitive consideration of historic preservation values by Federal agencies in the long run. With proper guidance and tailored procedures, agencies solve their own problems with less need for recourse to the Council. We note that in FY 1985 we completed 16 programmatic agreements, a 25% increase from the previous year, and anticipate completing 15 in FY 1986.

As set forth in our budget justification, several areas of activity will be reduced in 1987. These include elimination of staff who support Council task forces, coordination of training programs and public information efforts; reduction of staff and staff travel in the Office of Cultural Resource Preservation; and a reduction of Council member activity on task forces. We shall continue to carry out our activities to work with agencies in achieving the fundamental requirements of section 106--the requirement that the Council be afforded a reasonably opportunity to comment on each undertaking that may affect historic properties.

We remain optimistic that through more efficient section 106 regulations going into place by the beginning of FY 1987 that we will continue to provide the current level of protection to historic properties. This document reflects a reduced budget, which is our important role in the deficit reduction process. This will impact our activities. And we will do our part to maintain our contribution to the national historic preservation program while supporting the President's efforts to balance the budget.

**Advisory
Council On
Historic
Preservation**

The Old Post Office Building
1100 Pennsylvania Avenue, NW, #809
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BIOGRAPHICAL SKETCH

CYNTHIA GRASSBY BAKER

Cynthia Grassby Baker of Denver, Colorado appointed Chairman of the Advisory Council on Historic Preservation for a 4 year term (1985-1989) formerly served the National Endowment for the Arts as Deputy to the Chairman for private Partnership. She headed the Challenge Grant Program, Advancement Program, and projects involving private sector advocacy and partnership. Previously, she was State Finance Director of the Colorado Republican Committee in Denver, responsible for raising private contributions for Federal, State, and local candidates; sales representative for the Johns-Manville Company; Development Director of the American Medical Cancer Hospital in Denver; and Development Officer of the National Jewish Hospital in Denver. She currently serves on the Advisory Council for Ford's Theatre and the National Advisory Board of the President's Committee on Employment of the Handicapped and is a member of the Symphony Orchestra League, the Denver Center for Performing Arts, and the Colorado Association of Commerce and Industry. Mrs. Baker is a former member of the Advisory Board of the John F. Kennedy Center for the Performing Arts in Washington, D.C.

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BIOGRAPHICAL SKETCH

JOHN M. FOWLER

John Fowler holds an undergraduate degree from Princeton University and a law degree from Yale. After private law practice in Washington, D.C. he began his service with the Council in 1972. Presently he is Acting Executive Director and General Counsel. He has authored various articles on historic preservation law and taught at Columbia University. Mr. Fowler resides in Washington, D.C. with his wife and two children.

Mr. YATES. All right, Ms. Baker, your statement is in the record. Tell us why you want the money and what you want us to do about it.

Ms. BAKER. Can I lead in with a few comments?

Mr. YATES. Please do.

Ms. BAKER. I am pleased to testify and appear before the committee. It has been some time since I have been here. It is a privilege to represent the Advisory Council on Historic Preservation. I would like to report that there have been some changes at the Advisory Council since I have been appointed Chairman.

In later March, Bob Garvey, who had been the Executive Director for some 20 years, and had 22 years of distinguished Government service, has retired.

Mr. YATES. We are sorry to hear that.

Ms. BAKER. So are we. He promised he would only be a phone call away. I know he is disappointed at not being here today.

Mr. YATES. If I know Mr. Garvey, that phone call will probably be from Morocco or some equally exotic place far away.

Ms. BAKER. With regard to that, I have appointed John Fowler as the Acting Executive Director. You know John Fowler.

Mr. YATES. For the next 22 years.

Ms. BAKER. That is right. John has been the General Counsel and also the Deputy Executive Director for the last year and a half, so I think that we are in very able hands. Before we go on, I want to present something to you—it is a great privilege for both John and me to present the committee with our annual report for 1985, which reviews the work of the Advisory Council on Historic Preservation.

ANNUAL REPORT FOR 1985

Mr. YATES. Thank you very much. It will be received for the committee's files. A very handsome presentation, I might say.

Ms. BAKER. Thank you. We are very proud of it and all the work the staff has put into this.

Mr. YATES. Page 38 shows the impoverished girl working

Ms. BAKER. Maybe you want to look at page 56.

Mr. YATES. All right, I will look at page 56. What is that, a movie theater? Oh, is that The Chicago?

Ms. BAKER. That is The Chicago. Interestingly enough, I became—this particular——

Mr. YATES. My God, you go back a long ways, Ms. Baker.

Ms. BAKER. I had a different rendition on this.

Anyway, I did some research on this particular theater——

Mr. YATES. Go ahead.

Ms. BAKER. It was a brilliant description of what can be accomplished by historic preservation. I have done quite a bit of reading, and this particular theater was built in the 1920s and recently was——

Mr. YATES. I have been in it many times.

Ms. BAKER. It is a gorgeous theater.

Mr. YATES. Depending on what your definition of gorgeous is?

Ms. BAKER. I think the detail it presents is quite extraordinary. It was built in the 1920s by a designer, actually two designers who got together, and what happened in the 1950s, even though people were enjoying this theater immensely, the owners refurbished the front, which really changed the complexion of it. I think that whole story really tells a little bit about preservation because, as you last saw it in 1951, and I can show you some other pictures, because I became very interested in the design and detail. I think it is bottom line preservation. In 1951, you saw the lanterns that were hung outside as you walked into the theater, and then in 1953, suddenly all those lanterns and gorgeous brass doors and ticket offices were removed, basically to reflect a more modern architectural design.

Those are the kinds of things we are dealing with in preservation today. People are becoming so much more aware of the integrity and richness which graced their communities and their states long ago. These are the kinds of things we are trying to bring back and satisfy, and certainly provide for.

Mr. YATES. My own taste runs to page 43 rather than The Chicago Theater.

Ms. BAKER. This one made an impression on me.

GRAMM-RUDMAN IMPACT

Mr. YATES. I like what appears on page 54. Anyway, let me ask you a few questions. What is the impact of Gramm-Rudman on the operations of the Council, and how would you absorb the reductions?

Ms. BAKER. The way we have absorbed the reductions in Gramm-Rudman is through some transition levels in the staff. Mr. Garvey retired unexpectedly, also we have a staff member who was employed on a temporary basis and who has elected to leave at the end of April. These were clearly positions that we had not considered before we sat down with Gramm-Rudman.

Also there was another staff member who is taking a 3-month leave of absence so we have three transitions in staff members. Also we looked at some travel expenses and some equipment we had intended to put into our Denver office. All of these savings came to $68,000, which was our 4.3 percent budget reduction.

TRAVEL CUTS

Mr. YATES. Now you are going to cut travel. Whose travel will be reduced, the Council members or staff?

Ms. BAKER. I think we have to look at that across the board. Necessary travel is the kind of travel that we will approve, and for those areas of necessary travel there is no question that that would continue.

In terms of some of the other things that we have been involved with, training courses and such, we have looked at different alternative resources where our staff has been able to work with different entities and different organizations and having them fund their particular travel arrangements.

However, in terms of our 106 work, we will continually provide funds for those travel needs.

Mr. YATES. How frequently does the Council meet?

Ms. BAKER. The Council is able to meet quarterly.

Mr. **Yates**. Where do they meet, in Washington?

Ms. **Baker**. Usually in Washington, D.C. However, if we have a 106 case that is pending consideration from the Council, we are able to assemble in other areas where that undertaking may affect the Council participation.

Mr. **Yates**. Has the Council met quarterly in 1986?

Ms. **Baker**. No, the Council has not met quarterly in 1986.

Mr. **Yates**. Why is that?

Ms. **Baker**. Basically because when I came on board, what was occurring at the Council is that our section 106 regulations were about to be published in the Federal Register. During that time of publication, we would have held a regular Council meeting. It was not scheduled—because during the public comment period I didn't feel it was prudent to hold a meeting. The public comment period lasted through October 14, and subsequently was extended through January. I did not call a Council meeting until it was prudent and reasonable to discuss pertinent information from the public comments received.

Mr. **Yates**. Would you place in the record a list of travel for staff and for Council members for 1985 and 1986 and what you anticipate for 1987?

Ms. **Baker**. We would be most happy to do that.

[The information follows:]

ACHP TRAVEL

[In fiscal years]

	1985 (actual)	1986 (estimate)[1]	1987 (estimate)
Staff	$50,000	$35,000	$35,000
Council members	30,000	25,000	25,000
Total	80,000	60,000	60,000

[1] Actual through 31 March 1986.
Staff—$14,323
Council Member—13,540
Total—$27,863

FORMER CHAIRMAN ALDRICH

Mr. **Yates**. You replaced Mr. Aldrich, didn't you?

Ms. **Baker**. Yes, Mr. Chairman.

Mr. **Yates**. What happened to him? Did he want to go?

Ms. **Baker**. I think Mr. Aldrich was quite capable in terms of being the Chairman of the Advisory Council. At this point, Mr. Aldrich is very involved in his law firm in Saratoga Springs, and certainly he and I talk quite often about the Advisory Council and the direction, of the Council. I give a great deal of credit to Mr. Aldrich for his work for four years in working with the regulations of the Advisory Council.

Mr. **Yates**. Mr. Aldrich said this, on page 472, in last year's hearing.

"You have to balance historic preservation interests against other interests in order to preserve historic properties while advancing governmental objectives and satisfying government concerns. If you have a reduced level of funding, are you going to adequately execute that?"

Mr. Aldrich says, "No, sir. In my judgment, if we have to let nine people go, the net result will mean greater costs to the Federal Government as a whole through increased litigation. It will be more costly to implement the statutory requirements without using the conflict resolution procedures we have now in effect."

Do you feel the same way?

Ms. **Baker**. No, I don't feel the same way.

BUDGET ESTIMATE TO OMB

Mr. **Yates**. Why did you ask OMB for $1,795,000?

Ms. **Baker**. That particular budget was prepared with the approval of Mr. Aldrich's leadership and with the Council prior to my being involved.

Mr. **Yates**. That is why Mr. Aldrich went then?

Ms. **Baker**. I couldn't answer to that.

Mr. **Fowler**. If I could address that. The members of the Council, including the Chairman, serve for four-year terms, and Mr. Aldrich's term expired in June of 1985.

Mr. **Yates**. You have asked for 25 full-time equivalents for 1987 compared to 36 in 1986. That is a substantial reduction, isn't it? Can you do the work of your Council with that very reduced staff?

Ms. **Baker**. What I would like to do is describe a little bit about 25 full-time equivalents versus 36. Our agency is clearly one that is labor intensive, and our budget is clearly driven by our salaries, compensations and benefits by virtue of the total salaries, or FTE's.

When we prepared our budget level to OMB, with 25 full-time equivalents at $1.4 million, our average salary was $39,900. Today, as I testify before the chairman, I would like to say that our full-time equivalents are 32.2, we have not been up to the level of 36, and our average salary today with 32.2 FTE's is $32,700.

So what that says is that with regard to our budget now, which is at $1.5 million, we have driven our budget to cut the average full-time equivalent salaries from $39,900 to $32,700, which then has the flexibility to drive our $1.4 million level for FY 1987.

Mr. **Yates**. All right, I can see where Mr. Aldrich would have been very unhappy with that.

Ms. **Baker**. I can't speak for Mr. Aldrich.

Mr. **Yates**. In view of the statement——

Ms. **Baker**. In view of the statement he made, that is something Mr. Aldrich was supporting, and I clearly would not support.

Mr. **Yates**. Where is your place of business? Is it Washington?

Ms. **Baker**. I come back and forth to Washington, but I am working out of our Denver office. We do have staff in Denver, and I work from that office, so that I am able to plug into the electronic equipment, and we are able to move ACHP information back and forth.

CHAIRMAN'S TRAVEL COSTS

Mr. **Yates**. Does the Council pay your travel costs?

Ms. **Baker**. Yes, they do.

Mr. **Yates**. How much does that amount to a year?

Ms. **Baker**. Well, we haven't worked a full year.

Mr. **Yates**. How much does it amount to for a half year?

Ms. **Baker**. I would say that right now my travel has been about $5,000 in the aggregate. If you were to look at the records for Mr. Aldrich, I would like to furnish those for the record, but we are in the neighborhood of 24 trips, and also in the neighborhood of $9,000.

Mr. **Yates**. He works in New York?

Ms. **Baker**. He worked here. He commuted from New York.

Mr. **Yates**. The Council paid his expenses?

Ms. **Baker**. Yes, Mr. Chairman, it did.

[The following was provided for the record:]

TRAVEL BY COUNCIL CHAIRMAN

[In fiscal years]

	1985		1986[1]	
	No. of trips	Cost	No. of trips	Cost
Alexander Aldrich	24	$9,108		
Cynthia Grassby Baker	3	1,748	6	$5,172

[1] Through March 31, 1986.

REVISED REGULATIONS

Mr. **Yates**. You have revised regulations under the section 106 process. Have you received any comments from the Justice Department and the OMB on your revised regulations?

Ms. **Baker**. Thus far, we have received approval from OMB to publish our regulations in the Federal Register, which we did as of October 14, 1985. We established a 60-day comment period, and then provided an extension through January 15, 1986.

Since then, I asked the staff to prepare materials for the first Council meeting in 1986 which was held in February, to discuss our regulations. The process was one in which I give numerous accolades to the staff because a summary by summary description was given by sections of the regulations and what was included in those summaries was the objectional views of the staff. The staff incorporated all the public comments into summaries, and that was one piece of what we talked about at the Council meeting.

The other piece was we developed a comment highlight document which provided the continuing threads which appear from public comments and were surfaced as major issues in the section 106 regulations. At the Council meeting, we focused mainly on the comment highlights, and we came to unanimous decisions as to the direction we should take to the revision in order to accomplish regulatory reform.

Now, thus far we have not sent over, from that particular time, a complete document to OMB nor to the Justice Department. But what we have done is just recently held a task force meeting that was given direction from our Council meeting as to how they should employ revisions on the regulations. And, again, we came to consensus on every single point, and we are now in the process of revising sections 800.1 through 800.9, save 800.7.

PRESERVATION AWARDS

Mr. Yates. All right. We are going to have questions for the record. Tell me first, before we close, what is the need for the award? What is the cost of it?

Ms. Baker. John, if I may refer to you on that.

Mr. Yates. How much does it cost for an award and presenting the award?

Mr. Fowler. We will be happy to provide precise figures for the record. We are doing this on a shoe string.

[The information follows:]

Presentation Awards Budget

Program announcement (design, printing, mailing)	$2,900
Press release (printing, mailing)	380
Awards jury (travel, per diem)	3,420
Awards ceremony (travel)	2,250
Contingency	1,050
Total	10,000

Mr. Fowler. We have estimated we have printing costs that would come to maybe $2,000. And if we support the travel of award winners to come to Washington, that might cost us as much as $10,000.

Mr. Yates. How are you going to pay the cost of travel? Is that not coming out of your travel account?

Mr. Fowler. No, the schedule for this is fiscal year 1987.

Mr. Yates. I know, but you have a reduced travel budget.

Mr. Fowler. In fiscal year 1987, we would have a reduced travel budget and reduced number of people. We have the same level for travel this year. We have not made a commitment to do this. We felt that the opportunity to have the feasibility of the Presidential level of preservation awards was something we should not pass up, so we decided to go forward with the program realizing we haven't got a lot of money to commit.

CASE LAW REVIEWS

Mr. Yates. The report on Federal Historic Preservation Case Law reviews, does that cost you any money?

Mr. Fowler. That was prepared by an attorney on our staff, so the actual work time was already paid for. It was a matter of how we spent our time. Then we have just out-of-pocket printing costs. Again, I would be happy to provide those for the record. It has been very well received.

[The information follows:]

Federal Historic Preservation Case Law

In FY 1985, the Council published—as its only special report for the year—"Federal Historic Preservation Case Law."

This 92-page study reviews the development and interpretation of federal historic preservation case law from 1966, when the National Historic Preservation act was enacted, through 1985. It is the only study of its kind. It contains an introductory essay that presents the background of current Federal preservation law and defines procedural questions in litigating preservation cases, as well as chronologically arranged digests of preservation cases tried in courts since 1966.

The study was authorised entirely by a Council staff attorney, thereby incurring no outside contractor costs for this work. The report was edited and designed entirely by Council staff, again avoiding contractor costs. A minimum printing run of 2000 copies was made to publicize release of the report, and the report is now for sale through the Government Printing Office at $3.25 per copy. A sales flyer for the report was prepared at GPO's direction, and basic publicity at the time of the report's release was completed by the Council. Direct costs for preparation of the report included design, typesetting, printing for a total of $7,033. Response to the report has been excellent.

Mr. YATES. We have questions for the record that we ask you to complete, and we thank you very much.

Ms. BAKER. Thank you. We enjoyed it, and it is nice to see you again.

Mr. YATES. Thank you.

[Questions and answers submitted for the record follow:]

OVERVIEW

Question: The fiscal year 1986 adjusted level is a reduction of $68,000 under the fiscal year 1986 appropriation. What reduction in project review and cost effectiveness review is anticipated?

Answer: The effects of Gramm-Rudman cuts on the cultural resource preservation were to reduce the staff by .67 FTE and restrict travel for 106 reviews. We have been able to offset some of the travel reductions by having other agencies provide funding. However, the staff cut will reduce our output in project review and in cost effective review. We are unable to quantify any reductions at this time.

Question: Provide for the Committee a list of the members of the Council and the task forces of committees to which they and assigned.

Answer: List available.

**Advisory
Council On
Historic
Preservation**

Membership
March 1986

The Old Post Office Building
1100 Pennsylvania Avenue, NW, #809
Washington, DC 20004

The National Historic Preservation Act Amendments of 1980, P.L. 96-515, established specific categories of membership. The year in parentheses indicates membership expiration.

-- Four members of the general public appointed by the President, including the Chairman.

Cynthia Grassby Baker, Chairman (1989)
3001 East Cedar Avenue
#10 Polo Place
Denver, CO 80209

Robert O. Johns (Dr.), Vice Chairman (1986)
26 O'Farrell Street, Suite 400
San Francisco, CA 94108

Jennifer B. Dunn (1989)
9 Lake Bellevue Dr., Suite 203
Bellevue, WA 98006

Bruce Nestande (1988)
10 Civic Center Plaza
Santa Ana, CA 92701

-- Four historic preservation experts appointed by the President from the disciplines of architecture, history, archeology, and other appropriate disciplines.

Clifton Caldwell (1987)
1202 Richardson Drive
Suite 418
Richardson, TX 75081

Roger A. DeWeese (1987)
1302 Camino Del Mar
Del Mar, CA 92014

Thomas B. Muths, FAIA (1986)
1900 S. Eads St., Apt 226
Arlington, VA 22202

Mimi Rodden (1988)
201 Pittman Place
Carson City, NV 89701

-- One governor and one mayor.

Hon. Michael Newbold Castle (1989)
Governor of Delaware
Wilmington, DE 19801

Hon. William J. Althaus (1989)
Mayor of York
York, PA 17405

Observer: John Kern
Director
Bureau of Archeology
and Historic Preservation
Hall of Records
Dover, DE 19903

-- Secretary of the Interior, Architect of the Capitol, Secretary of Agriculture, and the heads of four other agencies, the activities of which affect historic preservation, appointed by the President. Agency heads can designate as their alternate an Assistant Secretary or an officer having major departmentwide or agencywide responsibilities.

Hon. Donald P. Hodel
Secretary of the Interior
Washington, DC 20240

Designee: Hon. William P. Horn
Assistant Secretary for
Fish and Wildlife and Parks

Designee: Dale M. Lanzone
Special Assistant to the
Director of the National
Park Service

Hon. George M. White, FAIA
Architect of the Capitol
Washington, DC 20510

Designee: William L. Ensign, FAIA
Assistant Architect
of the Capitol

Designee: Elliott Carroll, FAIA
Executive Assistant

Hon. Richard E. Lyng
Secretary of Agriculture
Washington, DC 20250

Designee: Peter C. Myers
Assistant Secretary for Natural
Resources and Environment

Designee: Kirk C. Ferrell
Confidential Assistant
to the A/S for Natural
Resources and Environment

Hon. James A. Baker III
Secretary of the Treasury
Washington, DC 20220

Designee: John F. W. Rogers
Assistant Secretary for Management

Designee: E. Edward Wilson, Jr.
Deputy General Counsel

Hon. Christopher Hicks
Assistant to the President
for Administration
Director, Office of Administration
The White House
Washington, DC 20500

Designee: Ms. Mina Wright
Director, Preservation
Office of the Old
Executive Office Bldg

Hon. Samuel R. Pierce, Jr.
Secretary of Housing and
Urban Development
Washington, DC 20410

Designee: Alfred C. Moran
A/S for Community Planning
and Development

Designee: Janice S. Golec
Acting Deputy A/S for
Program Development

Designee: Richard H. Broun
Director, Office of
Environment and Energy

Hon. Elizabeth Hanford Dole
Secretary of Transportation
Washington, DC 20590

Designee: Joseph Canny
Director of the Office
of Transportation
Regulatory Affairs

Designee: Robert Crecco
Historic Preservation
Officer
Office of Transportation
Regulatory Affairs
(P-14)

-- Chairman of the National Trust for Historic Preservation.

Hon. Alan S. Boyd
Chairman, National Trust for
Historic Preservation
1785 Massachusetts Avenue NW.
Washington, DC 20036

Designee: J. Jackson Walter
President

Designee: David A. Doheny
Vice President and General Counsel

Designee: Kate M. Perry
Government Affairs Counsel

-- President of the National Conference of State Historic Preservation Officers.

Charles E. Lee, President
Director, State Archives Department
P.O. Box 11669
Columbia, SC 29211

Designee: Valerie A. Talmage, Vice President
Executive Director
Massachusetts Historical Commission
80 Boylston Street
Boston, MA 02116

Designee: J. Rodney Little
John Shaw House, 21 State Circle
Annapolis, MD 21401

Designee: Eric Hertfelder
Executive Director, NCSHPO
444 N. Capitol St. NW., Suite 332
Washington, DC 20001

-- With the concurrence of a majority of the membership, the Chairman may invite representatives of Federal, State, or local public agencies or nonprofit organizations to become nonvoting observers when the participation of such agencies or organizations will benefit the Council.

Hon. Robert McC. Adams
Secretary of the Smithsonian Institution
Washington, DC 20560

Designee: William N. Richards
Executive Assistant Secretary for Museum Programs

Hon. Daniel J. Boorstin
Librarian of Congress
Washington, DC 20540

Designee: Alan Jabbour
Director, American Folklife Center

-- Principal staff members.

Robert R. Garvey, Jr.
Executive Director

Frank L. Suman
Administrative Officer

Thomas F. King
Director, Office of Cultural
Resource Preservation

Don L. Klima
Chief, Eastern Division
of Project Review

Robert Fink
Chief, Western Division
of Project Review

John M. Fowler
Deputy Executive Director
and General Counsel

John D. McDermott
Special Assistant for Policy

Marcia Axtmann Smith
Director of Publications

Rev. 3/10/86

Question: How does selection to task forces or committees occur?

Answer: As the need arises for dealing with preservation issues without involving the entire Council, the Chairman appoints members to work as a task force on the particular subject. They range in duration and size. Normally they make recommendations which are acted on by the full membership. We have found that this mechanism works extremely well and is cost effective.

Question: What are the terms of membership of the Council members?

Answer: There are three categories of Council members- non-Federal appointees (10), ex-officio non-Federal (2), and heads of Federal agencies (7). The non-Federal appointees are appointed for a term of four years. This group includes a state governor and a city mayor who serve only while in the elected position. The second category includes the Chairman of the National Trust for Historic Preservation and the President of the National Conference of State Historic Preservation Officers who serve as ex-officio members. The third category consists of the Architect of the Capitol and the heads of the following agencies: Department of Agriculture, Department of the Interior, Department of the Treasury, Department of Transportation, Department of Housing and Urban Development and the Office of Administration-White House. The first two serve ex-officio; the remainder are appointed by the President to the Council.

Question: The National Historic Preservation Act requires the Federal Government to assist State and local governments and the National Trust for Historic Preservation in the United States to expand and accelerate their historic preservation programs and activities. How is the Council carrying out this charge in fiscal year 1986?

Answer: The principal Council activity in this area has been the exchange of printed material, training sessions and development of guidelines for State historic preservation legislation. An initial draft guideline was prepared during FY 1985 but has not moved forward because of the uncertainties about the final form of revised Section 106 regulations.

Question: What are the the Council's plans for fiscal year 1987?

Answer: We envision the guidelines as supporting the Council's efforts to decentralize preservation decisionmaking to the State and local government level. The proposed regulations also move in this direction, but the precise form has not yet been defined nor approved by the Council members. We anticipate finalized regulations by the beginning of FY 1987. After finalization of the regulations, consideration of the State guidelines could begin.

Question: Accompanying the fiscal year 1987 request for a reduced budget is a reduction in the number of full time equivalents that the Council will operate with in fiscal year 1987. The base budget on page 6 of the justification shows an FTE level of 36. Discuss the impact of operating with only 25 FTE's in fiscal 1987 as opposed to the 36 FTE's provided for in the fiscal year 1986 appropriation.

Answer: The base budget reflects the ceiling allowance of 36 FTE. Because of funding constraints we have been able to afford 32 FTE's for the last 2 years. The 1987 ceiling control of 25 FTE's represents a cut of about 25% from our present operating level of 32. The output of our two units-Council Direction and Cultural Resource Preservation will be scaled back to accommodate the cut.

Question: Why doesn't the schedule of permanent positions on page 36 of the justification display the reduction in staff which will occur in FY 1987?

Answer: The total FTE ceiling includes both permanent and temporary positions. In order to achieve a ceiling of 25 FTE, reductions will be taken against temporary positions. Permanent positions will remain at the same level (21) in FY 86 and 87. No change is required to the Schedule of Permanent Positions.

Question: Quantify this reduction in terms of the reduced workload the council will be able to complete in fiscal year 1987 if there is a reduction of 4 FTE's in Council Direction and a reduction of 7 FTE's in Cultural Resource Preservation.

Answer: Workload at reduced ceiling

	FY 1986 (36 FTE ceiling, 32 operating level)	FY 1987 (25 FTE)	Difference
1. Council Direction			
A. Council Meetings			
(1) Full	3	2	-1
(2) Task Force	6	3	-3
B. Annual Report			
(1) Comprehensive	1	0	-1
(2) Summary	0	1	+1
C. Training Courses	12	2	-10
2. OCRP			
A. Carryover	300	300	-
B. New project notices	3,800	3,900	+100
(1) Screened	1,700	2,500	+800
(2) Reviewed	2,400	1,700	-700
(3) Advice off	950	200	-750
(4) Substantial review	1,450	1,500	+50

C. Memoranda of Agreement	395	275	-120
D. Program Review			
(1) Programmatic memoranda of agreement			
(a) Initiated	25	10	-15
(b) Concluded	15	15	-
(2) Guidance Doc			
(a) in	3	0	-3
(b) co	2	1	-1
(3) Substantive review pursuant to PMOA	100	30	-70

These estimates are taken from the budget justification.

Question: Provide for the Committee a breakdown of the workload which could be accomplished with 25 FTE's, 30 FTE's, 33 FTE's and 36 FTE's.

Answer: Workload at various FTE levels

	25	30	33	36
1. COUNCIL DIRECTION				
A. Council Meetings				
(1) Full	2	2	3	4
(2) Task Force	3	5	6	8/10
B. Annual Report				
(1) Comprehensive	0	0	1	1
(2) Summary	1	1	0	0
C. Training course	2	7	12	15
2. CULTURAL RESOURCE PRESERVATION				
A. Carryover	300	300	300	300
B. New project notices	3,900	3,900	3,900	3,900
(1) Screened	2,500	2,300	2,200	1,500
(2) Reviewed	1,700	1,900	2,100	2,700
(3) Advice offered	(200)	(400)	(600)	(1,200)
(4) Substantial review	(1,500)	(1,500)	(1,500)	(1,500)
C. Memoranda of Agreement	275	350	395	425
D. Program Review				
(1) Programmatic Memoranda of agreement (PMOA)				
(a) Initiated	10	18	25	30
(b) Concluded	15	15	15	25
(2) Guidance Documents				
(a) Initiated	0	1	3	4
(b) Concluded	1	1	2	5
(3) Substantive review pursuant to PMOA	30	70	100	120

Question: The Council has operated with a fluctuating level of FTE's beginning with 32 in FY 1985 which was increased to 36 FTE's in FY 1986 and will now be reduced to 25 FTE's in FY 1987. What have these fluctuations in personnel levels done to the efficiency of the Council?

Answer: The FTE's appear to fluctuate among years because of the manner in which they are presented. The prior year (1985) shows actual employment (32), while the current and budget years show estimates (36) and (25) respectively. Our ceiling for 1985 and 1986 was 36 FTE, from House Bill 3011. In 1985 we employed 32 FTE and probably the same number in 1986. Thus our actual employment level has remained fairly constant over the past few years.

The reduction to 25 FTE will have a major impact on our efficiency and will change the way we do business in 1987; we will concentrate our efforts on providing agencies with reviews on Section 106 compliance at the expense of program improvement and training.

Question: How does the unpredictability of Council funding impact the Council's ability to hire qualified personnel?

Answer: We have been able to employ a competent, dedicated and professional staff, and have had very little personnel turnover in recent years. The idea of historic preservation at the Federal level of government holds a special appeal to persons whose educational backgrounds include history, archeology, architecture, art history, urban planning and related fields. We receive many more job applicants than we are able to hire, therefore maintaining a highly qualified staff presents little problem.

Question: On page 4 of the justification it states that the Council has reduced its overhead costs in fiscal year 1987. How has the Council taken this reduction?

Answer: At a funding level of $1,417,000 and 25 FTE certain cuts must be made to support costs. We propose to relinquish about 1,300 square feet of space at our headquarters for a savings of $35,000. Printing services and office supplies will be cut about one-fifth, or $4,000 each, or a total of $8,000. Communications and utilities will be cut $5,000.

These reductions will be offset by an increase of $11,000 in equipment procurement to improve the productivity of the smaller staff.

Question: What is the impact of this reduction on the operation of the Council?

Answer: We have operated under austere conditions for many years and will continue to do so.

Question: What is the Council finding in respect to the current status and emerging trends of the national historic preservation program?

Answer: The Council is currently undertaking a comprehensive review of 20 years of the national historic preservation program. We anticipate this assessment will be completed this summer and will provide a detailed analysis to this question. We will be pleased to provide the committee with our assessment and analysis. At present the analysis is under consideration by a task force of Council members.

Council Direction

Question: The justification states the Council has developed a variety of new program initiatives. Discuss the improved flow of communication between agency historic reservation officers.

Answer: We have provided agency historic preservation officers periodically with information on new developments in the Section 106 process, circulated draft guidelines for comment on conserving cultural values in the section 106 process and offered opportunities to tailor training courses to the needs of their agencies.

Question: In order to improve the Council training program, a Council task force has been appointed to oversee the expansion and further development of the Council's training program. What is the task force doing to expand and improve the training program?

Answer: At the specific direction of the Council membership, the Council staff has taken steps to expand the scope of the Council's training outreach program. For instance, in March 1985 the National Conference of State Historic Preservation Officers asked the Council to provide more training to SHPO staff on Section 106 procedures and current Council policy. Since that request was made, the Council has trained staff members of over 40% of the State Historic Preservation Offices.

The Council membership has directed that ACHP provide more training specially tailored to other agencies' needs. The Council staff has implemented a 4-part response to this directive. First, when an agency requests a special onsite session of our training course, we work closely with the agency to target its particular areas of concern in order to better address them during the course session. This approach has worked well in meeting agencies' special needs and concerns.

Second, we are working with HUD to develop a 3-day jointly sponsored training course for recipients of Community Development Block Grants. When the Council has achieved final revisions to its regulations, HUD and the Council hope to finalize curriculum and schedule a series of training sessions.

Third, the Council staff provides informal training to agency staff in conjunction with case-related onsite visits. Typically, the visiting

Council staffer meets with agency or SHPO staff to discuss how Section 106 review works and the procedural details of case review.

Fourth, the Council is increasing its participation in the training efforts of other agencies, as described above. We also continue to provide advice, information, and printed material to other agencies as they develop their own training programs.

Question: What is the status of the development of new guidelines for State historic preservation legislation?

Answer: As we noted in our earlier answer, the initial draft is being held until we complete the revision of our Section 106 regulations.

Question: On page 12 of the justification it states that "the Council is now exploring possible private sector initiatives to support worthwhile international activities." What has the Council concluded from its search?

Answer: We have reached no conclusions in this area. We are continuing to explore opportunities for U.S. support for international historic preservation activities with those Federal agencies that conduct work overseas. We hope to have a more developed program by the end of the year. The selection of the Chairman as the U.S. delegate to the General Assembly of the International Centre for Conservation in Rome to be held in May 1986, will provide us with an opportunity to recommend measures concerning U.S. support of ICCROM, which is a principal international activity for the Council authorized by Section 206 of the National Historic Preservation Act.

Question: Discuss the milestones and timetables the Council has set in respect to its comprehensive overview and assessment of the effectiveness of the 1966 National Historic Preservation Act.

Answer: Our 20 year overview is proceeding well under the direction of a task force of Council members. The Council staff has completed a detailed section-by-section analysis of the National Historic Preservation Act and its implementation. The task force is currently preparing an assessment of major achievements and future needs of the program, to be completed by early summer. We expect to share this assessment and our conclusions with appropriate officials of the administration and the Congress at that time.

Question: The justification states that "the projected funding level will require cutbacks" in this area. Discuss the impact of these cutbacks.

Answer: We anticipate completion of our 20 year overview by the end of FY 1986. The cutbacks envisioned by our projected FY 1987 funding level would occur in any subsequent assessment activities the Council might undertake. For example, our customary annual report includes an overview of preservation activities and observations on trends and directions. At the projected funding level, we would scale back this feature from our annual report.

Question: What training course schedule is proposed for FY 1986 and FY 1987?)

Answer:

FY 1986 TRAINING SCHEDULE
"Introduction to Federal Projects and Historic Preservation Law"

January 23-24	Washington, DC (open)
February 4-5	Billings, MT (onsite for BIA)
February 20-21	Honolulu (open)
February 24-25	Agana, Guam (onsite for Guam Historic Preservation Office)
March 17-18	Phoenix (open)
March 19-20	Phoenix (open)
April 17-18	Nashville (open)
May 15-16	Boston (open)
June 16-17	Kansas City (open)
July 14-15	Washington, DC (open)
August 7-8	Seattle (open)

"Open" Courses are available to all Federal, State, and local government officials, as well as to those in the private sector who do work on behalf of a government entity. "Onsite" courses are held at the request of an agency for a special course session for its staff.

In addition to the above sessions of "Introduction to Federal Projects and Historic Preservation Law," which the Council cosponsors with the GSA Training Center, Council staff members also have participated or will participate as Section 106 "experts" in the following training sessions sponsored by other agencies or organizations as guest lecturers, panel members, or moderators. Travel expenses are covered by sponsoring agencies.

October 31	Harpers Ferry, WV (National Park Service)
November 7-8	Phoenix, AZ (Western State Historic
Preservation	Offices -- Alaska, Arizona, California, Colorado, Idaho, New Mexico, Texas, Utah, and Wyoming)
February 5-6	Austin, TX (Texas State Historic Preservation Office)
February 7	Washington, DC (National Preservation Institute)
February 13	Williamsburg, VA (Department of Defense)
March 11	Denver, CO (Bureau of Reclamation)
April 21	Charlottesville, VA (University of Virginia)
April 24	New Orleans, LA (Society of Professional Archeologists)
May 12-16	Santa Fe, NM (Army Corps of Engineers)

Within the last year, the Council has also developed a schedule of semi-annual workshops with State Historic Preservation Office staff from the northeastern States (Delaware, New Jersey, New York, Connecticut, Massachusetts, Rhode Island, New Hampshire, Vermont, and the District of Columbia). The State offices involved cover the travel expenses of Council staff and take turns as host. The most recent such workshop was held in Wilmington, Delaware, on February 11, 1986. The next workshop will take place on August 15, 1986, in Newport, Rhode Island.

FY 1987 TRAINING SCHEDULE (Open Sessions)
(at Present staffing level)

January 8-9	Washington, DC
February 5-6	Fort Worth
February 19-20	Atlanta
March 5-6	Chicago
March 26-27	New Orleans
April 27-28	San Francisco
May 7-8	New York City
May 28-29	Albuquerque
June 4-5	Kansas City
June 17-18	Denver
July 16-17	Seattle
August 6-7	Washington, DC

Question: How does this schedule compare to that of FY 1985, in which the training course was offered 14 times, training more that 380 Federal, State, and local officials?

Answer: We anticipate that the eleven FY 1986 course sessions will train a total of 330 persons. While this schedule of open and onsite training course sessions is somewhat reduced as compared to that of FY 1985, Council staff participation in training programs arranged by other agencies and organizations and in special meetings and workshops with State Historic Preservation Office staff has greatly increased, reaching an estimated 245 persons so far in FY 1986.

The FY 1987 training agenda, with 12 scheduled open sessions and a projected 2-3 special onsite sessions, is equivalent to that of FY 1985. In addition, the Council intends to jointly sponsor with HUD, at the request of HUD, several special 3-day training sessions for CDBG recipients after Council regulatory revisions have been finalized.

The ability of the Council to administer training sessions -- both planned and projected -- will depend on a Council staffing level greater than FTE 25 in FY 1987. Ninety percent of our courses are now taught by Council staff, and coordination of the training program requires staff administrative support. A reduction to FTE 25 would reduce the staff that provides training support and would weaken the personnel and staff time available for teaching the sessions and developing curriculum. At FTE 25, the Council would probably be able to offer a minimum of 2-3 sessions per year, as OCRP staff would give priority to Section 106 casework.

Cultural Resource Preservation

Question: Case review of projects which come before the Council are handled by Historic Preservation Specialists. At the present time there are 7 Historic Preservation Specialists in the Eastern Division of Project Review and 4 Historic Preservation Specialists in the Western Division.

The FY 1987 request will result in a reduction of 3 of these specialists in the eastern Division and a reduction of 2 of these specialists in the Western Division leaving a total of 4 and 2 respectively. What is the impact of this reduction on the ability of the Council to sufficiently handle the workload in FY 1987? (pp.16/23)

Answer: The projected impact of this reduction is as shown in Table 1, column 5, and on page 23 of our budget justification. More projects will have to be "screened" (i.e. given little review); and fewer projects will be reviewed overall. Little advice will be offered on things like environmental impact statements. Although an increase in projects requiring substantial review is estimated, we do not anticipate that we will be able to complete substantial review on as many projects as we do at present; as a result, more cases will be carried over to the next fiscal year. We expect that problems in processing will be felt particularly with respect to relatively complicated projects involving conditional determinations of "no adverse effect" and Memoranda of Agreement. Less complicated cases that can be handled with unconditional "no adverse effect" determinations should be processed at a slightly slower rate than they are today. Post-agreement review will be severely curtailed.

In summary, we will be able to handle the basic, routine work of project review, but not as efficiently as at present, and we will be unable to do much that is not strictly required in order to give agencies minimum compliance with the letter of Section 106.

Question: What is the average time for routine and non-routine case reviews?

Answer: Routine cases are typically handled as unconditional "no adverse effect" determinations, or as "expedited" Memoranda of Agreement prepared by Federal agencies and SHPOs and submitted to the Council for review. Council review of such cases is almost invariably concluded within 30 days, and normally takes less than 15 days.

Non-routine cases, normally involving Memoranda of Agreement prepared by the Council or another consulting party on the basis of consultation, are variable in the time required for review. Occasionally such a case will literally be years in review, but this is invariably the result of a decision by the agency involved to carry out significant new studies, to redesign aspects of the project, or to delay the project for some other reason. Sometimes these agency decisions are stimulated by historic preservation issues, sometimes by other considerations. Where the project is not withdrawn from review for some reason, review of a non-routine case is normally completed within 30 to 60 days, but may take longer depending on the issues involved, the level of controversy, the need for public meetings, etc.

Question: How will the reduction in staff affect the time necessary for those reviews?

Answer: We anticipate that the reduction in staff will be felt primarily with reference to non-routine cases. The review time for these cases will necessarily be extended.

Question: On page 17 of the justification there is a table outlining the planned workload for FY 1985-FY 1987. Discuss the cause and effect of the decreases anticipated in the number of projects reviewed, the advice offered, the memoranda of agreement entered into and the post-review agreement.

Answer: The number of projects reviewed will decrease because the reduced staff will be unable to process as many projects, particularly non-routine projects, during the course of the fiscal year.

A reduction will occur in "advice offered." Since the staff's time will be largely taken up handling responses to requests for comments, little time will be available for review of documents that the Council is not specifically required to review in order to help agencies achieve basic compliance with Section 106.

The anticipated reduction in Memoranda of Agreement reflects the fact that review of non-routine cases, which normally involve such Agreements, will take longer due to staff reductions.

The expected reduction in post-agreement review reflects the need to focus limited staff resources on basic project review; activities not specifically required to achieve basic agency compliance with Section 106 will be reduced.

Question: What is the impact of increasing the number of projects being carried over into the next fiscal year?

Answer: Whenever we are unable to complete review in a timely fashion, the agency seeking our comment will have two options: give us more time, or proceed in the absence of comment. Choosing the first option could result in project delays; choosing the latter could expose the agency to litigation.

Question: According to the justification on page 19, the increase in the submission of projects requiring memoranda of agreement has resulted in a decrease in the level of work which can be done on other projects, such as advice offered. Why then in FY 1987 when a decrease is anticipated in memoranda of agreement is there also significant decreases in other areas such as advice offered?

Answer: This year we have been able to handle the increase in Memoranda of Agreement by redirecting staff from other activities such as the provision of advice to agencies. Next year, with a reduced staff, this will not be possible, so work levels in both areas are expected to decrease.

Question: What amount of staff would be necessary to absorb the increased workload?

Answer: If we were able to maintain the staff at its present (FY 1986) level, and improve our word processing/ADP system, we should be able to absorb the increased workload projected. It should be noted that the changes now being finalized in our regulations will also affect our ability to absorb increases. In the short run, because of the need to re-orient the review system, the changes in the regulations will not ease our workload. In the long run, based on the draft regulation changes now being refined, we expect to be able to handle our workload with greater efficiency.

Question: On page 19 of the justification it states that "some significant gaps remain" in the Council's word processing/ADP system. Discuss these significant gaps and what is necessary to alleviate them?

Answer: The most significant gaps occur in the Western Division of Project Review.

Presently the Denver office operates with a small number of individual word processing/mini computer units. None of the machinery is integrated into a single system. This deficiency handicaps productivity in the areas of work flow, electronic routing of work, shared resources and data management (case tracking). Also the Chairman now works out of the Denver office and there is a significantly increased workload.

Overall, it is important that our entire system (Washington and Denver) be upgraded with the latest software. Such a revision would require certain engineering changes, increased storage, increased memory and some additional equipment to facilitate the upgrading. These changes would allow us to maintain an effective system that would provide maximum productivity. A significant need also exists for optical character readers in both review divisions, in order to integrate incoming material for prompt review.

Question: Quantify for the Committee your statement, "the increase in military casework has required the allocation of substantial amounts of senior professional staff time."

Answer: The Senior Architect (GS-13) currently spends about 70% of his time on military work. The Senior Archeologist (GS-15) has had more sporadic involvement, estimated to require about 10% of his time overall.

Question: Discuss the trends in the caseload of projects reviewed under Section 106 outlined on page 21 of the justification. What does the Council anticipate for FY 1986 and FY 1987?

Answer: As noted on page 21, the Council's caseload has steadily increased during the 1980s, despite the curtailment or reduction of a number of Federal programs because of budgetary constraints and administration policy. This seems to reflect a growing awareness of Section 106 review on the part of Federal agencies, partly as the result of the Council's training course. We foresee no reason to think that this trend will not continue in FY 1986 and FY 1987; this is why we have projected a modest increase in "new projects received" in Table 1.

The trend toward increasing efficiency noted at the bottom of page 21 may have been curtailed somewhat during FY 1986, though we do not yet have statistics to demonstrate this. The review staff have participated in several special projects needed in connection with the revision of the regulations and preparation of a study, for submission to the President and Congress in FY 1986, concerning how the National Historic Preservation Act has been implemented. These special functions had an impact on the time available for project review.

It is not anticipated that the trend toward increasing efficiency will continue under projected funding levels in FY 1987, as Table 1 indicates.

Question: How would a steady funding level impact the anticipated workload?

Answer: A steady funding level would not affect the anticipated workload, but would make it possible for us to manage better. We would be able to maintain our current level of efficiency.

Question: On page 22 of the justification it states that "the best indicator of effectiveness is that thus far this year 100% of case resolutions have been satisfactory to all parties." How many cases are you referring to?

Answer: We are referring to 1,341 cases, or all cases requiring substantial review in FY 1985.

Question: The Council states on page 22 of the justification that "because of insufficient staff resources" there has been an increase in the number of projects screened. The Council states "we would like to reduce the number of projects 'screened'...but lack the personnel to do so." What resources are necessary to reduce the number of projects screened?

Answer: An increase of about 2 FTE over FY 1986 levels would be necessary to reduce the number of projects screened substantially.

Question: Discuss the new regulations which the Council feels will enhance the overall efficiency of the system.

Answer: The draft regulation changes being finalized as of April, 1986 embody several changes that we think will increase efficiency:

1. The ability of an agency and SHPO to make "consensus" determinations that a property is eligible for the National Register, without review of the determination by the Secretary of the Interior, is clarified and made permanent; this important change was made de facto by suspension of portions of the existing regulations in 1981.

2. A number of kinds of routine undertakings, which now require Memoranda of Agreement, can be handled as though they were determinations of "no adverse effect." This will permit clearer distinction between routine and non-routine cases, and speed processing of the latter.

3. In non-routine cases, bilateral consultation with the SHPO is encouraged, with provision for informal Council participation and participation by other interested persons. This should encourage the solution of most problems at the State and local level and allow the Council to focus its attention on the most controversial cases, the most important resources, and the cases involving the most important policy issues.

4. The role of the Council as a mediator of disputes and objections to agency determinations, which has developed de facto over the years, is clarified and embodied in the regulations.

5. States are encouraged to develop processes that can substitute for the Council's review process altogether; these can be put in place with Council approval.

These changes over the long-term are likely to reduce the Council's workload through resolution of preservation concerns at the Agency Official-SHPO level.

Question: What resources are necessary to avoid deterioration of the current level of efficiency in project review?

Answer: Maintaining approximately the present staff level of 32 FTE, and the ability to upgrade the ADP system will allow for a continued level of efficiency.

Question: What additional resources are necessary to ensure that post-agreement reviews will not be curtailed?

Answer: The answer is similar to the one for the previous question, namely approximately the present staff level of 32 FTE and the ability to uprade the ADP system.

Question: What is the status of the cost-effectiveness review of the Sustina Hydroelectric Project in Alaska?

Answer: Late in 1985 we commented on revised environmental documents for Sustina, and were very critical of a poorly substantiated proposal to spend $5,587,000 on impact mitigation, mostly archeological data recovery. A meeting in Alaska was scheduled for April, 1986 to discuss revisions. However, in March we were advised that planning for the project as a whole had been curtailed; as a result, the meeting was cancelled.

Question: Discuss the cause and effect of the reductions in Program Review products outlined on page 29 of the justification.

Answer: The projected decreases in Program Review products relates directly to the size of the staff. Since it will be necessary to give highest priority to helping agencies achieve basic compliance with Section 106 when our comments are sought, which normally occurs on a case-by-case basis, we do not anticipate having the time to engage in significant program review activities. Such time as can be devoted to these activities will be oriented toward developing Programmatic Memoranda of Agreement, which bear the closest relationship to the needs of basic Section 106 compliance. The effect of the decreases will include continuation of individual case reviews that could be better dealt with through Programmatic Memoranda of Agreement, and a lack of guidance to participants in Section 106 review that would otherwise be provided by Council guidance documents.

Question: When will the guidance documents outlined on page 30 of the justification be completed?

Answer: Revision of Treatment of Archeological Properties has been delayed pending completion of changes in the regulations. Assuming the regulatory changes are finalized by mid-summer 1986, the revision of this document could be completed by the end of the calendar year.

Revision of Guidelines for the Consideration of Traditional Cultural Values in response to comments is nearly complete, but has been set aside due to the press of work on regulations and 106 reviews.

Preservation Planning in Context has no schedule for completion at this time.

Guidelines for Integrating...with Onshore Oil and Gas Order No. 1 require few revisions based on comments. A final version should be in place by the end of FY 1986, predicated on revision of 106 regulations.

Guidelines for Historic Preservation...in Micronesia should be complete in draft at least by the time the Compact of Free Association with the governments of Micronesia goes into effect at the end of FY 1986. It has not received Council approval.

Question: What resources are necessary to complete these documents?

Answer: Preparation of these documents is largely the responsibility of the Director, Office of Cultural Resource Preservation. The resources necessary to complete them are sufficient freedom from other duties to permit the Director to turn his attention to them.

Question: Who initiated these documents?

Answer: Treatment of Archeological Properties was the product of a Council Task Force established to deal with a variety of problems with and complaints about the conduct of archeology under Section 106.

Guidelines for the Consideration of Traditional Cultural Values was initiated by the Executive Director with the approval of the Council, in response to the felt need for guidance in this area, the requirements of the American Indian Freedom of Religion Act, and the recommendations of the Cultural Conservation report prepared by the American Folklife Center and Secretary of the Interior under Section 502 of the National Historic Preservation Act Amendments of 1980. It was approved for circulation for comment by the Council.

Preservation Planning in Context was initiated by the Office of Cultural Resource Preservation as an outgrowth of consultations with land managing agencies and the Office of Surface Mining about special needs in large development projects.

Guidelines for Integrating...with Onshore Oil and Gas Order No. 1 was initiated by the Office of Cultural Resource Preservation in response to widespread confusion about how to handle Section 106 review in the context of this BLM directive.

Guidelines for Historic Preservation...in Micronesia was requested by the House of Representatives, Subcommittee on Public Lands and initiated by the Office of Cultural Resource Preservation.

DONATIONS

Question. It is estimated that in FY 1986 and 1987 the Council will receive donations of $5,000 to be used for the purposes of the Council. How will the Council use these donations?

Answer. These estimates are extremely optimistic. For example our actual donations for FY 1985 were $2,400. The majority of the funds were used to reimburse the Office of Personnel Management for training given to non-Federal personnel. We do not anticipate any substantial change in the level of activity.

Question. Who are the primary benefactors of the Council?

Answer. The donations have been so minimal that no one party stands out as a benefactor.

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FRIDAY, MARCH 21, 1986.

SMITHSONIAN INSTITUTION

WITNESSES

ROBERT McC. ADAMS, SECRETARY
DEAN ANDERSON, UNDER SECRETARY
DAVID CHALLINOR, ASSISTANT SECRETARY FOR RESEARCH
TOM L. FREUDENHEIM, ASSISTANT SECRETARY FOR MUSEUMS
JOHN F. JAMESON, ASSISTANT SECRETARY FOR ADMINISTRATION
RALPH RINZLER, ASSISTANT SECRETARY FOR PUBLIC SERVICE
JOHN E. REINHARDT, DIRECTOR, DIRECTORATE OF INTERNATIONAL ACTIVITIES
ANN R. LEVEN, TREASURER
MICHAEL R. LEAGUE, DIRECTOR, OFFICE OF PLANT SERVICES AND ACTING DIRECTOR, FACILITIES SERVICES
MICHAEL H. ROBINSON, DIRECTOR, NATIONAL ZOOLOGICAL PARK
MARY J. RODRIGUEZ, ACTING DIRECTOR, OFFICE OF PROGRAMMING AND BUDGET
ROBERT B. BURKE, DIRECTOR, OFFICE OF PROTECTION SERVICES
FRANK C. GILMORE, OFFICE OF FACILITIES SERVICES
PHILLIP K. REISS, DIRECTOR, OFFICE OF DESIGN AND CONSTRUCTION
WALTER J. BOYNE, DIRECTOR, NATIONAL AIR AND SPACE MUSEUM
IRA RUBINOFF, DIRECTOR, SMITHSONIAN TROPICAL RESEARCH INSTITUTE
ROBERTA RUBINOFF, DIRECTOR, OFFICE OF FELLOWSHIPS AND GRANTS
IRWIN I. SHAPIRO, DIRECTOR. SMITHSONIAN ASTROPHYSICAL OBSERVATORY
JAMES C. TYLER, ACTING DIRECTOR, NATIONAL MUSEUM OF NATURAL HISTORY
CAROLYN CARR, ASSISTANT DIRECTOR FOR COLLECTIONS, NATIONAL PORTRAIT GALLERY
JAMES DEMETRION, DIRECTOR, HIRSHHORN MUSEUM AND SCULPTURE GARDEN
CHARLES ELDREDGE, DIRECTOR, NATIONAL MUSEUM OF AMERICAN ART
ROGER KENNEDY, DIRECTOR, NATIONAL MUSEUM OF AMERICAN HISTORY
JOHN KINARD, DIRECTOR, ANACOSTIA NEIGHBORHOOD MUSEUM
THOMAS LAWTON, DIRECTOR, CENTER FOR ASIAN ART
RICHARD MURRAY, DIRECTOR, ARCHIVES OF AMERICAN ART
HAROLD PFISTER, ASSISTANT DIRECTOR, COOPER-HEWITT MUSEUM
SYLVIA WILLIAMS, DIRECTOR, NATIONAL MUSEUM OF AFRICAN ART
WILTON S. DILLON, DIRECTOR, OFFICE OF SYMPOSIA AND SEMINARS
FELIX LOWE, DIRECTOR, SMITHSONIAN INSTITUTION PRESS
ALVIN ROSENFELD, DIRECTOR, OFFICE OF PUBLIC AFFAIRS
PETER SEITEL, DIRECTOR, OFFICE OF FOLKLIFE PROGRAMS
PEGGY LOAR, DIRECTOR, SMITHSONIAN INSTITUTION TRAVELING EXHIBITION SERVICE

ROBERT M. MALOY, DIRECTOR, SMITHSONIAN INSTITUTION LIBRARIES

WILLIAM MOSS, SMITHSONIAN ARCHIVIST, SMITHSONIAN INSTITUTION ARCHIVES

BARBARA SCHNEIDER, PROGRAM MANAGER, NATIONAL MUSEUM ACT

LAMBERTUS VAN ZELST, DIRECTOR, CONSERVATION ANALYTICAL LABORATORY

RICHARD LYTLE, DIRECTOR, OFFICE OF INFORMATION RESOURCE MANAGEMENT

PETER G. POWERS, GENERAL COUNSEL

HOWARD TOY, DIRECTOR, OFFICE OF PERSONNEL ADMINISTRATION

JANET SOLINGER, DIRECTOR, RESIDENT ASSOCIATE PROGRAM

OPENING STATEMENT

Mr. MURTHA. The committee will come to order.

The chairman will be here shortly. He got tied up this morning.

Welcome, Secretary Adams.

We will give you an opportunity to summarize your comments. The biography of Mr. Freudenheim will go in the record, since it is the first time that he has appeared before the committee. Your entire statement will go in the record, along with the Institution's Gramm-Rudman-Hollings Implementation Plan.

[The biography and statement of Mr. Freudenheim follow:]

Biography of Tom L. Freudenheim

Tom L. Freudenheim, an art historian and museum administrator, became Assistant Secretary for Museums of the Smithsonian Institution in 1986, after serving for over three years as Director of the Worcester Art Museum. Prior to that time, he was Director of the Museum Program at the National Endowment for the Arts in Washington. There he administered the major grant-funding system for America's art museums, having previously served the agency as a grants panelist. His NEA service broadened his perspective and understanding of the museum field.

As Director of The Baltimore Museum of Art from 1971 through 1978, he led the museum a into greater level of community involvement, and developed its important contemporary art, decorative art and textile exhibition programs. He also initiated its successful $20 million campaign for the recently completed renovation and expansion program. Under his direction, the museum began to play a leading role in Baltimore's recent and acclaimed civic revival.

Prior to his service in Baltimore, Mr. Freudenheim served for five years as Assistant Director of the University Art Museum, University of California, Berkeley, where he helped with its establishment and worked closely with the architects to develop plans for its new building. From 1962 to 1965, Mr. Freudenheim was first Assistant Curator, then Curator, of The Jewish Museum in New York.

He has written numerous articles and catalogues ranging from Islamic art through the decorative arts, modern art, and museums. He edited the guide to American art museums that was published by Macmillan in 1983. He has been awarded several State Department grants for travel abroad and under those auspices, has lectured at Leningrad's Hermitage Museum, the Pushkin Museum in Moscow, and at major universities and museums in Romania, Czechoslovakia, and Japan.

He is a member of the American Association of Museums, which he has served several times chairing Visiting Committees for museum accreditation. He has also appeared before colleagues at various annual meetings of the AAM and the College Art Association as a panelist and speaker. Other boards on which he serves include the Art Museum Association of America, the American Federation of Arts, and the Harvard Pierian Foundation. He has also been a member of the Association of Art Museum Directors (Secretary, 1976-77).

Mr. Freudenheim has also lectured widely on the various relationships between art and the Jewish tradition. He is a board member of The Jewish Publication Society of America and the National Foundation for Jewish Culture.

Mr. Freudenheim was born in Stuttgart, Germany, and was brought up in Buffalo, New York. He received his undergraduate degree from Harvard College, where he is currently a member of the Senior Common Room of Mather House, and his M.A. from New York University's Institute of Fine Arts. He has also studied at Hebrew Union College-Jewish Institute of Religion (Cincinnati) and the University of California, Berkeley. He has been awarded an honorary Doctor of Fine Arts degree from the University of Maryland. In 1982 he was invited to present the Walter W.S. Cook Alumni Lecture at the Institute of Fine Arts.

He lives in Washington with his wife Leslie, an architectural historian, writer, and lecturer, and their two sons, Alexander and Adam.

STATEMENT OF ROBERT McC. ADAMS, SECRETARY
SMITHSONIAN INSTITUTION
ON APPROPRIATIONS REQUESTED FOR FY 1987

Mr. Chairman and Members of the Subcommittee,

When I appeared for the first time before the Subcommittee a year ago I spoke of the strengths of the Smithsonian in defense of a budget request for Fiscal Year 1986 that, although nearly $13 million above the FY 1985 level, was nonetheless carefully honed and deliberately focused. Designed to build on our strengths, the request embodied three important objectives of the priority of Institutional commitments: effective program operations, staffing and operation of two major new entities, the Museum Support Center and the Quadrangle, and improved research support.

Today I would share with you not only the Institution's aspirations for our FY 1987 request, but also the crucial importance of a regular appropriation. I do so in an atmosphere of extraordinary budgetary change and uncertainty, the implications of which are, perhaps, as disquieting to you as they are to me and my colleagues. Unchanged, however, are our objectives, which not only were unmet by the FY 1986 process, but were substantially diminished by it; a brief review of that process is illuminating.

A separate document submitted to the Subcommittee describes the details and the effects of the required Gramm-Rudman-Hollings reductions across the five Smithsonian appropriation accounts, as well as some forty line items in the Salaries and Expenses Account. It is sufficient here to state that those reductions were the latest in a series of retrenchments that included the .6 percent base reduction in the Continuing Resolution and earlier reductions by the Subcommittee and its Senate counterpart. The net effect has been that as of March 1, 1986 the Smithsonian had sustained reductions totaling more than $20,000,000 from the request that had gone to Congress slightly more than a year earlier.

In the Salaries and Expenses Account for Fiscal Year 1986 the reductions exceed $16,000,000, leaving an amount that is just over $5,000,000 more than was provided for Fiscal Year 1985. Certainly we are grateful for it, but would note that it is about $1,700,000 less than we had requested solely for uncontrollable increases such as legislated pay increases, utility costs, and the like.

The prospects for further cuts can only be viewed as chilling, for that would be their effect on the lifeblood of the Smithsonian. Automatic, mindless, across-the-board reductions for Fiscal Year 1987 in the range of 8.4%, as the Congressional Budget Office recently has suggested, against our already tattered FY 1986 base, would eliminate another $16,000,000.

We have not explored the details of that application, but we remain dedicated to the principle that the Institution must preserve its core functions for research and for the care and conservation of the national collections and the structures that house them. At the same time, we also have important responsibilities for broad public and outreach services. It is not possible to say at this point what we would do, but it is certain that we would have to reduce hours of operation, perhaps to the point of closing museums one or two days a week; possibly eliminate whole programs; and generally furlough or otherwise reduce our staff. While staff costs constitute approximately 65% of our current budget and may seem an easy target, it is important to remember that the collections are of little value to the Nation unless they are housed, cared for, conserved, studied, documented, managed, exhibited, interpreted, and guarded by the people who are the Institution's most important resource.

A century and a half ago, on July 1, 1836, the Nation pledged its faith to the execution of the will of James Smithson for "...the purpose of founding and endowing at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men..." In a report that accompanied the legislation - and probably was written by John Quincy Adams - the House Committee stated that in accepting Mr. Smithson's bequest the Congress would

> "...feel in all its power and plenitude the obligation of responding to the confidence reposed by him, with all the fidelity, disinterestedness and perseverance of exertion which may carry into effective execution the noble purpose..."

Mr. Chairman, that noble vision and the faith of the Nation have created and sustained a great Institution, but it is an Institution in need of sesquicentennial plenitude if it is to endure and continue to fulfill its noble purpose. I urge that an appropriate option exists in the form of our budget request for Fiscal Year 1987.

We recognize that in the present environment the Smithsonian request is anomalous. Its approval would, in effect, entail reappropriating the Fiscal Year 1986 Gramm-Rudman-Hollings reductions and provide a modest increase. This increased funding would be mainly for inflation-related items, Museum Support Center and Quadrangle operations, commemorative events of a national nature, and research support, the same objectives and commitments we had a year ago. Although the total request is nearly $24 million above the current FY 1986 base, it is less than $4,000,000 - only 1 1/2% - above our original FY 1986 request to Congress.

With regard to the specifics of our FY 1987 budget request, they include $190.1 million for Salaries and Expenses, $12.8 million for Restoration & Renovation of Buildings, $4.9 million for Zoo construction, $4.0 million for Quadrangle construction, and $3.5 million for construction of a laboratory and conference center at the Smithsonian Tropical Research Institute in Panama. No funding is requested for the Special Foreign Currency Program for FY 1987.

Quadrangle

Our FY 1987 budget request provides critical funding for completing construction and developing programs for the Quadrangle complex. The final increment of funding for Quadrangle construction will provide for the construction of the public and staff facilities that will connect the Quadrangle building and the Freer Gallery of Art, as well as additional funding for equipment, construction management, and contingency costs. The Institution expects to take beneficial occupancy of the 3rd level next month and the staff areas of the upper two floors about a month later. Work on exhibition space and the garden will continue into late summer.

In the Salaries and Expenses request, increases totaling $4.2 million are sought to provide the staffing and program support essential to meet the scheduled public opening of the Quadrangle complex in mid-1987 and full operation of the facilities, including the annualization of the partial year funding of the positions approved in the FY 1986 budget for Quadrangle support. Of the total increase, a sum of $934,000 is requested for the Sackler Gallery, $638,000 for the National Museum of African Art; and $ 2.0 million for security, building management, administration facility maintenance and operating support. A further amount of $632,000 is requested for Quadrangle-related programs and support for the International Center, SI Libraries, Office of Exhibits Central, Traveling Exhibition Service, and Office of Public Affairs. If approved, the total federal operating budget for activities in the Quadrangle will be $11.6 million in FY 1987. Trust funded activities will amount to about $25.5 million.

Our plans for the public opening of the museums and programs in the Quadrangle complex call for a series of events and activities during May and June of 1987. There will be major inaugural exhibitions at the Sackler Gallery, the National Museum of African Art, and the International Center, along with a wide range of public events and other activities to mark the occasion, including three lectures series to coincide with the opening of the Sackler Gallery, the National Museum of African Art, and the International Center. At the Sackler Gallery, the collection of objects donated by Dr. Arthur M. Sackler will be displayed, with other major objects from his private collection on loan. The National Museum of African Art will present three important exhibitions: "African Art and the Cycle of Life," "African Textiles," and "African Art from the Permanent Collection." In the International Gallery, the exhibition "Generations: Birth Rituals and the Roots of Becoming" will provide a multi-disciplinary, multi-cultural investigation of the art and rituals associated with birth from ancient times to the present.

Research

The Smithsonian, by virtue of its staff, collections, data bases, and research facilities, is an unique international resource in basic research. Complementing industrial, Federal and university research, the Smithsonian's long-term research activities provide critical continuity to the Nation's research efforts in a number of disciplines. Expanded support for research has been identified as a major priority for the Institution over the next several years. In the FY 1987 budget, an increase of $1.0 million is requested to augment the Smithsonian's current research capabilities in tropical biology, astrophysics, and art. An amount of $330,000 is requested for the National Museum of Natural History to study biological diversity in the arc surrounding the Amazon Basin. The Smithsonian Astrophysical Observatory requests $150,000 to initiate instrument development in the new field of submillimeter astronomy in order to maintain SAO's pioneering leadership in astrophysical research during the 1990s. A requested increase of $345,000 for the Smithsonian Tropical Research Institute will permit the expansion of its ongoing research in tropical forest biology. Increases totaling $175,000 are requested for the National Museum of American Art, the Hirshhorn Museum and Sculpture Garden, the Archives of American Art, and the Cooper-Hewitt Museum to reinforce the research programs related to their collections.

The FY 1987 budget also provides for the upgrading of research facilities. A sum of $3.5 million in construction funding is requested to build a laboratory and conference center at the Smithsonian Tropical Research Institute in Panama; an additional amount of $4.0 million has been provided by a donation from the family of the late Earl S. Tupper. In addition, the Restoration and Renovation of Buildings request for FY 1987 includes funding for important support facilities at STRI. The Zoo Construction request provides funding for the renovation of the old hospital and research building at Rock Creek.

The Smithsonian's Special Foreign Currency Program supports research conducted by United States institutions in excess currency countries. No further funding has been requested in FY 1987; funding provided in FY 1986 will be used to continue the program of grants to United States universities, museums, and other institutions of higher learning, primarily for research and advanced professional training in fields of traditional Smithsonian competence. Since the inception of the program in FY 1966, Special Foreign Currency grants have been made to 247 United States institutions to support more than 850 individual projects. Publications resulting from program grants total more than 1,450 to date.

Bicentennial of the Constitution

The year 1987 will mark a very significant milestone in the history of the United States -- the 200th anniversary of the signing of the U.S. Constitution. In order to observe this occasion appropriately and to commemorate not only the events of 1787 but also the events that have shaped the United States during the past 200 years, several Smithsonian museums and programs will present special exhibitions and public programs during 1987 and 1988. The National Museum of American History will mount a special exhibition, "The Japanese American Experience in World War II," as the centerpoint for an exposition on the Constitution as a living and unfolding document. The National Portrait Gallery will research and develop an exhibition on "Portraits of Distinguished Jurists," featuring a selection of the most historically enlightening portraits of individuals who have been pivotal interpreters and shapers of our legal institutions. The Office of Smithsonian Symposia and Seminars will sponsor a symposium on "Constitutional Roots, Rights and Responsibilities," in May 1987 and the Office of Elementary and Secondary Education will support a three-part program to highlight the meaning of the 200th anniversary of the U.S. Constitution and the Bill of Rights for elementary and high school students. An increase of $376,000 is requested in FY 1987 for these exhibitions and public programs.

Columbus Quincentenary

Another significant international anniversary will be commemorated just a few short years from now -- the 500th anniversary of the landing of Christopher Columbus in the Americas. The Columbus Quincentenary will act as a catalyst for the discussion, investigation, and reintepretation of the cultural interactions that have occured in the Western Hemisphere between Native Americans and Europeans from 1492 to the present. The Quincentenary celebration will offer an opportunity to encourage public and scholarly consideration of the significance of Columbus' voyage and to promote better understanding of the Americas as a geographical entity with shared historical roots and concern for future life in this hemisphere.

The Smithsonian will undertake a wide range of programs, exhibitions, and research projects related to the Columbus Quincentenary that synthesize disciplinary perspectives through the reexamination of the history and development of the "New World." The development of these Quincentenary programs will be coordinated throughout the Institution and will be presented in accordance with an Institutional theme entitled, "Quincentenary: The Americas 1492-1992--Exploration of the Past - Encounter with the Present - Discovery of the Future." For FY 1987, initial funding of $245,000 for the planning and research of these programs is requested.

MSC Equipping & Move

The Museum Support Center, located in Suitland, Maryland, provides the Smithsonian with a state-of-the-art facility for the storage, conservation, and study of museum collections. The move of Smithsonian collections to the MSC, a move unprecedented in the museum community in terms of volume, characteristics, and variety of collections, is scheduled to continue through fiscal year 199[illegible]. As a result of the reevaluation undertaken last year to solve the problems that developed with the initial design for the collections storage equipment, the installation of equipment in the storage "pods" will continue in FY 1987 with the construction of new concrete decks and the purchase of premanufactured storage cabinets. A total of $4.6 million, an increase of $1.3 million over the FY 1986 base, is required to continue the purchase and installation of collections storage equipment for the Museum Support Center. In addition, funding of $712,000 (an increase of $150,000 over the FY 1986 base) will be needed in FY 1987 to continue preparation and transfer of the collections to the MSC.

Uncontrollable Costs

An amount of $4.5 million is required for the increased costs of current staff, utilities, postage, communications, and space rental in FY 1987. In addition, a sum of $1.6 million is requested to compensate for the effects of inflation in other nonsalary areas of expense.

Zoo Construction

For FY 1987, funding of $4.9 million is requested for construction and improvements at the National Zoological Park. The Zoo's facilities include 163 acres in the Rock Creek Valley of Washington, D.C. and a 3,150-acre Conservation and Research Center located in Front Royal, Virginia. The FY 1987 Zoo Construction request will support the renovation of the old hospital and research building at Rock Creek into a modern research facility ($2.5 million); the second phase of the renovation and improvement of Olmsted Walk ($600,000); and renovation, repairs, and improvements at Rock Creek ($1.4 million) and at the Conservation and Research Center ($351,000).

Restoration and Renovation of Buildings

For FY 1987, funding of $12.8 million is requested to continue the Institution's important long-term program to maintain, upgrade, and renovate its museum, research, and support facilities. The R&R request for FY 1987 reflects efforts to plan the orderly completion of a number of major initiatives begun in previous years to improve the condition of existing facilities and to provide creative solutions to future facilities' requirements. In addition, funds sought in this budget will continue a wide range of ongoing essential repair and improvement projects.

The R&R funding requested for FY 1987 includes $2.9 million for repairs to building facades, roofs, and terraces; $1.2 million for fire detection and suppression systems; and $1.9 million for repair and improvements to utility systems. Other projects, totaling $5.7 million, have been proposed as facilities improvements in support of programmatic objectives, the most notable of which include major renovation at the Freer Gallery of Art and construction of facilities in support of research at the Smithsonian Tropical Research Institute in Panama. Finally, an amount of $1.1 million is requested for general repairs and for improvements in safety and security of collections, staff, and the public; correction of hazardous conditions; and access for the disabled.

Mr. Chairman, as you will understand, long range planning in times such as these is difficult at best. Our guidance from the Office of Management and Budget suggests that we can anticipate funding for future years only in terms of increases for inflation. We have, as you know, a number of construction projects in mind, virtually all of which are being deferred while we study the effects of delay or explore various alternative sources of funding.

SMITHSONIAN INSTITUTION

GRAMM-RUDMAN-HOLLINGS IMPLEMENTATION

The Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) requires spending reductions of 4.3 percent in each of the Institution's appropriation accounts and against each of approximately 40 line items within the Salaries and Expenses account. This amounts to a reduction of $8.6 million which follows a 2.6 percent base reduction and earlier cuts in funds requested. Thus reductions totaling over $20 million, as shown in the following table, have been made in the Smithsonian's budget for FY 1986.

($000)

Account	FY 1986 Request	FY 1986 Appropriation	Sequestration (4.3 percent)	FY 1986 Reduced Appropriation	Comparison with Request
Salaries & Expenses	$185,590	$176,995	$7,611	$169,384	($16,206)
Special Foreign Currency Program	2,500	2,485	107	2,378	(122)
Construction and Improvements, NZP	4,851	5,518	237	5,281	430
Restoration and Renovation of Buildings	14,875	11,009	473	10,536	(4,339)
Construction	4,000	3,976	171	3,805	(195)
TOTALS	$211,816	$199,983	$8,599	$191,384	($20,432)

On January 10, 1986, the Office of Management and Budget advised the Smithsonian of the amounts that would be sequestered. Following advice to the Secretary from the Councils of Bureau Directors, Information and Education Directors, and Administrative Officers and from the Management Committee, bureau, office, and program managers were asked to prepare plans describing how they would make the 4.3 percent reduction. Subsequent to the receipt of their plans (over 60 in number) a review process was established with three objectives: (1) to determine that the proposed actions would achieve the required reductions; (2) to see if the plans would result in acceptable degrees of consistency in continuing services, albeit at reduced levels, to the full range of the Smithsonian's constituency from the general public to the scholar; and (3) to look for unacceptable reductions that should be examined further for possible corrections through reprogrammings.

While "tuning" of the reductions will no doubt take place over the balance of the year, bureau and office actions appear to be adequate to achieve the required reductions; the Institution as a whole has maintained a balance of program capability. The Gramm-Rudman-Hollings reductions will slow the progress in important ongoing programs that has been achieved during the past several years, especially in the areas of collections management, research support in the form of replacing and upgrading equipment, and security. These programs, which need to maintain the FY 1984 - FY 1985 level of funding in order to continue the required level of work, are being hurt quite severely by the GRH cut. Reductions have been made with attention to the priority of important commitments that must be made in the immediate future: equipping the Museum Support Center to house and conserve the national collections and preparing to occupy and open the Quadrangle which will house the National Museum of African Art, the Sackler Gallery, and other important education programs. In commenting on these plans the Secretary stated, "In making the necessary budgetary reductions, the Smithsonian sought to minimize the impact on the public while meeting its central responsibilities to conduct research and to maintain the national collections, in art, history and science, held in trust for the American people. The cutbacks will, however, inevitably affect all facets of the Smithsonian's federal operations.

"Although their effects may appear marginal since they are necessarily widely scattered, the impact on the contents of many programs will in fact be substantial. Particularly vulnerable are innovative and experimental activities that we would otherwise be in a position to carry forward. Some of these, unfortunately, are precisely the activities that could contribute most importantly to the Smithsonian's future strength and vitality."

Details of the reductions by S&E line items and other appropriation accounts are shown in the attachment. Within the S&E account, activities related to research are being reduced by $1.7 million; collections management work by $1.3 million; exhibitions and other public programs by $1.2 million; and building and facilities management and general administration by $3.4 million for a total of $7.6 million. The steps taken include selective hiring freezes; curtailment of equipment purchases for research and collections management; postponement or cancellation of a number of planned exhibitions; elimination of several free public programs; cutbacks in travel, supplies, and services in a number of units; and a reduction in the Institution's publication program for scholars and the general public. The Institution also found that it is not possible to have extended summer hours in 1986.

Other appropriation accounts include the Special Foreign Currency Program, Construction and Improvements, National Zoological Park, Restoration and Renovation of Buildings, and Construction. Overall, these accounts received appropriations of $22.9 million with a resulting GRH cut of $988,000. Of this total, the Special Foreign Currency Program took a reduction of $107,000 in its program of grants to U.S. institutions. The National Zoological Park will realize its reduction of $237,000 by eliminating the purchase of equipment and support items for the veterinary hospital now under construction and by scaling back the contract design effort on a proposed aquatic exhibition. Within the Restoration and Renovation of Buildings account, the required reduction of $473,000 will be obtained by trimming planned work on the replacement of windows in the Castle building, space improvements in the Arts and Industries building, and on master planning efforts. The Construction account absorbed a $171,000 reduction within the funds planned for equipping and furnishing the Quadrangle complex now under construction on the Mall.

Looking ahead to FY 1987, potential required reductions to the Institution's operating and other accounts could amount to several times those experienced in FY 1986. Further curtailment (or elimination) of Institutional programs and support activities would be certain, and inevitably there would have to be heavy reductions to staff in all areas. This is because the Smithsonian's work is people intensive with some 65 percent of its operating budget allocated to salaries and benefits. It is doubtful that attrition will be able to neutralize potential furloughs or reductions-in-force particularly where whole programs are eliminated.

Attachment

SMITHSONIAN INSTITUTION

EFFECTS OF THE GRAMM RUDMAN HOLLINGS REDUCTION ON THE FY 1986 PROGRAM

	FY 1986 Appropriation /1	G-R-H Reduction
SCIENCE		
Asst. Secretary for Science	589,000	(25,000)
Eliminate two planned hires ($10,500) and purchase of automation and communications equipment ($4,500); reduce travel, supplies, and materials and terminate participation in the Wau Ecology Institute in Papua, New Guinea, limiting research access to an important biological station in the tropics ($10,000).		
National Museum of Natural History	21,179,000	(911,000)
Institute freeze on federal hiring ($421,100); significantly reduce research equipment replacement ($100,000); cut back on Caribbean Coral Reef and Global Volcanism and several other small research projects ($56,900); provide only half the former level of publications support ($62,700); cut travel and other allotments for departments and other programs by 5% ($60,300); delay conservation and copying of the Human Studies Film Archives anthropological films ($100,000); reduce supply budget for the Oceanographic Sorting Center ($20,000); delay the design for a new marine hall and the completion of the refurbished hall of dinosaurs and other fossils ($90,000).		
Astrophysical Observatory	8,724,000	(375,000)
Reduce replacement and upgrading of research equipment ($375,000).		
Tropical Research Institute	3,807,000	(164,000)
Implement a temporary furlough for some employees ($29,200); reduce replacement of research equipment ($67,500); reduce publications ($3,900) and other research support ($63,400).		
Environmental Research Center	3,535,000	(152,000)
Will not fill two current vacancies in FY 1986 ($23,600); reduce replacement of research equipment ($128,400).		

	FY 1986 Appropriation /1	G-R-H Reduction
National Air and Space Museum	8,538,000	(367,000)
Will not fill nine current vacancies ($97,600); reduce research support ($15,000); cancel purchase of computer equipment for research and records management ($51,000); reduce videodisc project ($15,000) and new equipment for the advanced technology projects ($20,000); delay some collections restoration work at the Garber facility ($20,000); delay installation of a fire suppression system for 8 mm film and slide projection ($23,000); cancel several small exhibitions and reduce other exhibition support ($53,000); reduce number of public information brochures ($10,000); reduce travel ($27,400), supplies ($15,000), and audio-visual support for exhibitions ($20,000).		
National Zoological Park	11,539,000	(496,000)
Freeze all federal hiring ($496,000).		
SUBTOTAL, SCIENCE	57,911,000	(2,490,000)
HISTORY AND ART		
Asst. Secretary for History and Art	443,000	(19,000)
Delay hiring ($6,000) and reduce research support for Joseph Henry Papers ($4,000); reduce program support for Office of Asst. Secretary ($9,000).		
National Museum of American History	11,852,000	(510,000)
Continue current hiring freeze, eliminate overtime and merit awards ($215,000); reduce support for curatorial departments and national collections ($30,000); cut funding for collections acquisition ($15,000); eliminate specialized conservation contract work and reduce registrarial services, shipping costs, and purchase of collections storage cabinets ($49,000); reduce program support for Silver Hill asbestos clean-up ($40,000); postpone "Engines of Change" exhibition and cancel all temporary exhibitions except "Case-of-the-Month" exhibits ($66,000); cancel music performances ($11,000); curtail publications program, eliminate free museum brochures and educational packets ($20,000); reduce building maintenance, eliminate guard and labor overtime, reduce public affairs support ($64,000).		

	FY 1986 Appropriation /1	G-R-H Reduction
National Museum of American Art Cut funding for collections acquisition ($100,000); cancel Post Office mural exhibition and minor renovations ($31,300); cancel seminar, symposium, and lecture ($9,700); eliminate or delay exhibit brochures and publications ($33,000); cancel purchase of computer equipment and benches for public galleries ($13,000); reduce building maintenance support ($20,000).	4,807,000	(207,000)
National Portrait Gallery Reduce purchase of research photographs and travel ($12,000); defer replacement of conservation and photographic equipment ($11,000); reduce funding for collections acquisition ($16,000); cancel purchase of collections storage screens ($35,000); defer Patent Office exhibition ($30,000); reduce printing of public information and educational brochures ($4,000); reduce purchase of office equipment, furniture and supplies ($10,000); eliminate exterior banners and signs ($17,000); reduce building maintenance support ($20,000).	3,601,000	(155,000)
Hirshhorn Museum and Sculpture Garden Will not fill current vacancies ($84,000); defer contractual services for exhibition scheduled for 1987 ($50,000).	3,119,000	(134,000)
Center for Asian Art Delay hiring of new staff for Sackler Gallery ($18,000); cancel purchase of computer equipment ($6,000) and introduction of the Research Library Information Network computer system in the library ($15,500); substitute purchase of a less expensive camera instead of a specialized camera for the photography studio ($1,400); cut Sackler Gallery inaugural exhibition planning ($52,000); reduce Freer Gallery exhibition costs ($7,100); eliminate introductory booklet for the Sackler Gallery ($12,000); delay printing Freer catalogue ($20,000).	3,078,000	(132,000)
Archives of American Art Lapsed personnel savings ($21,900); reduce purchase of collections management equipment and printing and reproduction ($17,100).	897,000	(39,000)

	FY 1986 Appropriation /1	G-R-H Reduction
Cooper-Hewitt Museum	963,000	(40,000)
Defer filling one position and eliminate one position in exhibition design and production ($29,500); reduce building operating and maintenance costs ($10,500).		
National Museum of African Art	2,626,000	(113,000)
Simplify design of inaugural exhibition ($90,000); eliminate free exhibition brochures ($20,000); reduce travel ($3,000).		
Anacostia Neighborhood Museum	890,000	(38,000)
Lapsed personnel savings ($38,000).		
SUBTOTAL, HISTORY & ART	32,256,000	(1,387,000)
PUBLIC SERVICE		
Asst. Secretary for Public Service	1,243,000	(53,000)
Lapsed personnel savings ($16,100); reduce support and purchase of computers for the Office of Public Affairs ($16,900); reduce support for VIARC ($7,000), Office of Telecommunications ($4,000), and the immediate Office of the Asst. Secy. ($9,000).		
Smithsonian Institution Press	1,126,000	(48,000)
Delay filling two vacancies and hire at lower level ($31,000); reduce printing costs ($15,000); eliminate travel ($2,000).		
SUBTOTAL, PUBLIC SERVICE	2,369,000	(101,000)
MUSEUM PROGRAMS		
Asst. Secretary for Museum Programs	735,000	(32,000)
Lapsed personnel savings from the Office of Museum Programs and Office of the Asst. Secretary ($30,300); reduce travel and contractual services for the Office of Museum Programs ($1,700).		
Office of the Registrar	99,000	(4,000)
Lapsed personnel savings ($4,000).		

	FY 1986 Appropriation /1	G-R-H Reduction
Conservation Analytical Laboratory	2,033,000	(88,000)
Lapsed personnel savings ($35,500); cancel equipment purchase ($10,000); reduce contractual services for the development and implementation of advanced conservation courses and delay the publication of the proceedings of the 1984 International Archaeometry Symposium ($40,000); reduce travel, supplies and materials ($2,500).		
Smithsonian Institution Libraries	4,655,000	(200,000)
Reduce funding for retrospective conversion, cataloguing, online document ordering, and other contractual services ($46,000); cut acquisition of monographs and journals ($60,000); reduce binding, photocopying, and conservation materials ($48,000); reduce other supplies, materials, and equipment ($46,000).		
Office of Exhibits Central	1,613,000	(70,000)
Reduce exhibition support ($70,000).		
Traveling Exhibition Service	379,000	(16,000)
Defer hirings ($12,000); reduce workshop supplies ($4,000).		
Smithsonian Institution Archives	541,000	(23,000)
Lapsed personnel savings ($18,000); reduce transfer of nitrate film negatives to safety film and reduce training for staff and interns ($5,000).		
National Museum Act	772,000	(33,000)
Reduce NMA grant funding ($20,700) and admin. support costs ($12,300).		
SUBTOTAL, MUSEUM PROGRAMS	10,827,000	(466,000)
DIRECTORATE OF INTERNATIONAL ACTIVITIES	461,000	(20,000)
Postpone development of International Center exhibition-related inaugural public programs ($10,000); reduce other areas of international activities support services ($10,000).		
SPECIAL PROGRAMS		
American Studies & Folklife Programs	712,000	(31,000)
Reduce publications projects in Office of Folklife Programs ($27,000); reduce personnel compensation in Office of American Studies ($4,000).		

	FY 1986 Appropriation /1	G-R-H Reduction
International Environmental Science Program	728,000	(31,000)
Reduce research support for all IESP projects ($31,000).		
Academic & Educational Programs	771,000	(33,000)
Lapsed personnel savings ($31,000); reduce number of editions of the publication "ART to ZOO" distributed to teachers nationwide ($2,000).		
Collections Management/Inventory Program	1,121,000	(48,000)
Delay filling temporary museum technician positions ($39,000); reduce supplies, materials, and contractual services needed for the collections management/inventory process ($9,000).		
Museum Support Center	4,891,000	(211,000)
Delay filling administrative and maintenance positions and temporary museum technician positions for the MSC move ($127,000); reduce program support for MSC move and administration & maintenance ($84,000).		
J. F. Kennedy Center Grant	348,000	(15,000)
Reduce amount of JFK Center grant ($15,000).		
SUBTOTAL, SPECIAL PROGRAMS	8,571,000	(369,000)
ADMINISTRATION /2	11,949,000	(514,000)
Lapsed personnel savings ($208,000); reduction in Workers' Compensation funding ($23,000); reduction in Unemployment Compensation funding ($17,000); cut back on development of automated management information system ($89,000); reduce administrative support costs in the Office of Supply Services ($43,000), the Office of Printing and Photographic Services ($50,100) and other administrative offices ($83,900). Actions being taken will reduce essential support services to all other Smithsonian units; half the replacement or acquisition of office automation and other necessary equipment; delay the availability of improved computer systems for simplified and strengthened administrative processing, control and accountability and cut back on the efficiencies and economies normally available from the centralized consolidated purchase of copy paper and office machine repairs for the Institution.		

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	FY 1986 Appropriation /1	G-R-H Reduction
FACILITIES SERVICES		
Office of Design and Construction	2,099,000	(90,000)
Defer hiring until later in FY 1986 ($11,000); cut back architectural and engineering contracts for facilities projects, purchase and rental of word processing and computer equipment, printing, supplies and materials ($79,000). These actions will delay some projects and cause deferral of a much needed automated system for management of the Restoration and Renovation of Buildings Program to include project tracking.		
Office of Protection Services	18,145,000	(780,000)
Will not fill 25 guard vacancies ($396,900); cut back security upgrading system ($300,600); reduce travel, printing, supplies and materials, equipment, and contractual services ($82,500). While every effort will be made to maintain current security by careful deployment of protection forces, the reductions will hamper efforts to make needed strengthening of overall guard coverage and electronic and other security systems.		
Office of Plant Services	32,407,000	(1,394,000)
Defer filling current vacancies and replacement of vehicles and essential maintenance supplies for OPlantS ($553,000); lapsed personnel savings for South Group Bldg. Manager ($33,700) and Horticulture ($39,000); reduction in funding for utilities costs ($671,000) and space rental costs ($58,000); reduce bldg. management supplies, equipment and contractual services for South Group Bldg. Manager ($10,300), Horticulture ($22,000), and the Quadrangle Bldg. Manager ($7,000). These actions will result in delayed maintenance of buildings and grounds and loss of flexibility in responding to emergency requirements and an increase in future repairs for the motor vehicle fleet. Utility and rent deficits will be covered by further reductions to the support organizations thereby exacerbating shortages and problems in these areas.		
SUBTOTAL, FACILITIES SERVICES	52,651,000	(2,264,000)
SALARIES & EXPENSES, TOTAL	176,995,000	(7,611,000)

	FY 1986 Appropriation /1	G-R-H Reduction
SPECIAL FOREIGN CURRENCY PROGRAM	2,485,000	(107,000)
Reduce SFCP grant funding for research by U. S. institutions in "excess currency" countries ($107,000).		
CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK	5,518,000	(237,000)
Eliminate purchase of equipment and support items for the veterinary hospital and scale back the contract design effort on a proposed aquatic exhibition ($237,000).		
RESTORATION & RENOVATION OF BUILDINGS	11,009,000	(473,000)
Trim planned work on the replacement of windows in the Smithsonian Institution Building, space improvements in the Arts and Industries Building, and on master planning efforts ($473,000).		
CONSTRUCTION	3,976,000	(171,000)
Reduce funding for equipping and furnishing the Quadrangle complex ($171,000).		

Notes:

/1 Does not reflect the distribution of the OMB Grade Target Reduction for FY 1986 and other reorganizations and reprogramming that have occurred subsequent to the submission of the FY 1986 budget request to Congress (January 1985).

/2 Includes the offices of the Secretary, Under Secretary, Assistant Secretary for Administration, General Counsel, Treasurer, Audits and Investigations, Congressional Liaison, Equal Opportunity, Facilities Services, Financial Management, Accounting, Information Resource Management, Management Analysis, Personnel Administration, Printing and Photographic Services, Programming and Budget, Special Events, Supply Services and Travel Services.

SECRETARY'S STATEMENT

Mr. **MURTHA**. If you will introduce the supporting witnesses, we will go forward.

Mr. **ADAMS**. Thank you, Mr. Chairman.

On my right is John Jameson, Assistant Director of Administration. Dean Anderson, on my left, is the Under Secretary. Mary Rodriguez is the Acting Director of the Smithsonian Office of Programming and Budget. And Ann Leven is our Treasurer.

There is a formal statement, as you indicate, that is part of the record. I had a somewhat differently oriented short statement that I would like to read. I will reduce that somewhat in the interest of saving time, but would like the slightly extended version of the short statement to be the one used in the record, if I may, sir.

Mr. **MURTHA**. Without objection.

Mr. **ADAMS**. Before I return to the details of my statement, I would like to outline some of the difficulties under which it has been prepared, and maybe an informal request.

Our principal focus is on the assembling, study and exhibiting of systematic national collections in many fields, in any case, on basic research, whose contribution to the advancement of knowledge and human welfare take place over time and are, in many cases, unpredictable.

To some, cutbacks or postponements in these activities might well seem simple. Given the relatively small magnitude involved, some might even hope they would be unnoticeable. I can assure you they are neither simple nor unnoticeable.

It is impossible to make coherent plans to meet our fundamental purposes when we are faced with potentially significant, but undefined reductions in the overall level of our operations.

Nor is knowledge a commodity that can be turned on and off with a tap. It withers when its acquisition is interrupted through dispersal of teams of investors, the deterioration of collections, and the noncirculation and wider use of information about them.

In the absence of an enacted appropriation, the Smithsonian might be faced next fall with reductions which, given the impact of those we have already sustained for fiscal year 1986, would make the Smithsonian a significantly smaller and different place.

I do want to invite your consideration of an alternative way of managing the Smithsonian budget in the event there are further Gramm-Rudman-Hollings mandated reductions.

As you know, we have, for many years, presented our operating budget to you by line item, with each museum or other program described in substantial detail.

This procedure has served us both well, and I have the impression that today it leaves this committee virtually as familiar as we are with our activities.

We will continue with the same procedure in our presentation today. Potentially, however, there is a grave disadvantage to this procedure because of the inflexibilities placed upon me as manager by the Gramm-Rudman-Hollings requirement that uniform percentage cuts be taken at the program project activity level in the operating budget.

To be sure, the legislation allows for reprogramming with this subcommittee and the equivalent body in the Senate, but my basic point is we will need to act quickly, decisively, perhaps courageously, and in the framework of a comprehensive reconfiguration of the Smithsonian's program at a significantly reduced scale.

I do not see how this difficult and time critical exercise in planning can be imaginatively and effectively carried out in a process of negotiations that must proceed independently from each of the forty or so separate line items in our present budget, and with both houses of Congress.

As you report on our budget, may I suggest that you consider making provision for aggregating a number of line items in order to increase the flexibility that we will need in the event of another Gramm-Rudman-Hollings mandated reduction.

One possible frame work might be the seven functional categories which correspond reasonably well to the internal organizational scheme that the Smithsonian is putting into place: Museums, Research, Public Service, Directorate of International Activities, Special Programs, Administration, and Facilities Services.

Another possibility would involve even a higher level of aggregation, the appropriation of the entire salaries and expense account as a lump sum.

This may seem excessively risky from your point of view, and perhaps even an abdication of the responsibilities of congressional oversight. However, I think this drawback might be overcome with arrangements for timely interim reporting, and, of course, with a final accounting for your review at the following budgetary hearings.

But in any case, the specific mode of aggregation rests with your subcommittee. Needless to say, my staff is prepared to work closely with you in developing a strategy along these lines in anticipation of the 1987 appropriation.

Let me now turn to my regular statement.

When I appeared for the first time before the subcommittee a year ago, I spoke of the strengths of the Smithsonian in defense of a budget request for fiscal year 1986 that, although nearly $13 million above the fiscal year 1985 level, was nonetheless carefully honed and deliberately focused.

BUDGET REDUCTIONS

As I share with you an overview of the Institution's aspirations for our 1987 request, I must say that unchanged are our objectives which not only were unmet by the fiscal year 1986 process, but were substantially diminished by it; a brief review of that process is illuminating.

A separate document submitted to the subcommittee describes the details and the effects of the required Gramm-Rudman-Hollings reductions across the five Smithsonian appropriation accounts, as well as some forty line items in the Salaries and Expenses account.

It is sufficient here to state that those reductions were the latest in a series of retrenchments that included the .6 percent base reduction in the Continuing Resolution and earlier reductions by the subcommittee and its Senate counterpart.

The net effect has been that as of March 1, 1986, the Smithsonian had sustained reductions totaling more than $20,000,000 from the request that had gone to Congress slightly more than a year earlier.

In the Salaries and Expenses account for fiscal year 1986 the reductions exceed $16,000,000, leaving an amount that is just over $5,000,000 more than was provided for fiscal year 1985.

Certainly we are grateful for it, but would note that it is about $1,700,000 less than we had requested solely for uncontrollable increases such as legislated pay increases, utility costs, and the like.

Across-the-board reductions for——

Mr. **Murtha**. Say that again. It is $1.7 million less than the uncontrolled——

Mr. **Adams**. Uncontrollable increases, yes.

Across-the-board reductions for fiscal year 1987 in the range of 8.4 percent, as the Congressional Budget Office recently has suggested, against our already tattered fiscal year 1986 base, would eliminate another $16,000,000.

A century and a half ago, the Nation pledged its faith to the execution of the will of James Smithson for "the increase and diffusion of knowledge among men * * *" The House Committee stated that in accepting Mr. Smithson's bequest, the Congress would, "* * * feel in all its power and plenitude the obligation of responding to the confidence reposed by him, with all the fidelity, disinterestedness and perseverance of exertion which may carry into effective execution the noble purpose * * *"

Mr. Chairman, that noble vision and the faith of the Nation have created and sustained a great Institution, but it is an Institution in need of sesquicentennial plenitude if it is to endure and continue to fulfill its noble purpose.

Our budget request for 1987 has to be considered in this light. It is somewhat anomalous. Its approval would, in effect, entail reappropriating the fiscal year 1986 Gramm-Rudman-Hollings reductions and provide a modest increase.

This increased funding would be mainly for inflation-related items, Museum Support Center and Quadrangle operations, both new facilities coming on line, commemorative events of a national nature, and research support.

Good morning, Mr. Chairman. If I may continue with my statement.

Mr. **Yates**. Please do.

Mr. **Adams**. Although the request is nearly $24 million above the current fiscal year 1986 base, it is less than $4,000,000—only 1.5 percent—above our original fiscal year 1986 request to Congress.

Our guidance from the Office of Management and Budget suggests we can anticipate funding for future years only in terms of increases for inflation.

Within whatever resources are available, we would hope to reinforce areas of traditional Smithsonian expertise, such as systematics, tropical biology, and American cultural history, while also trying to develop means for sharing the richness of the Institution more widely here and abroad.

We welcome the counsel and support of the subcommittee as we guide the Institution in these extraordinary times.

[The short statement of Robert McC. Adams follows:]

SHORT STATEMENT DELIVERED BY
ROBERT MCC. ADAMS
SECRETARY, SMITHSONIAN INSTITUTION

BEFORE THE SUBCOMMITTEE ON THE DEPARTMENT
OF THE INTERIOR AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
U. S. HOUSE OF REPRESENTATIVES

Thursday, March 20, 1986

Thank you, and good morning, Mr. Chairman.

With your permission, before I turn to the details of my statement, I would like to outline some of the difficulties under which it has been prepared, and to make an informal request.

I need not deal at length with the burden of concern over national deficits under which we are all laboring, but would remind you that we exist solely for the "increase and diffusion of knowledge." Our principal focus is on the assembling, studying, and exhibiting of systematic national collections in many fields, and in any case on basic research whose contributions to the advancement of knowledge and human welfare take place over the long term and are in many cases unpredictable. To some, cutbacks or postponements in these activities might well seem simple. Given the relatively small magnitudes that are involved, some might even hope they would be unnoticeable.

I can assure you that they are neither simple nor unnoticeable. It is impossible to make responsible and coherent plans to meet our fundamental purposes when we are faced with potentially significant but undefined reductions in the overall level of our operations. Nor is knowledge a commodity that can be turned on and off with a tap. It withers when its acquisition is interrupted -- through inversions of research priorities, the dispersal of teams of investigators, the deterioration of collections, and the non-circulation and wider use of information about them. As my colleague Daniel Boorstin put it to the Legislative Appropriations Subcommittee just over a month ago, "Any willful cut in our resources of knowledge is an act of self-destruction."

Our reading of the GRH legislation makes it seem not unlikely that, in the absence of an enacted appropriation, the Smithsonian might be faced next Fall with reductions which, given the impact of those we have already sustained for FY 1986, would make the Smithsonian a significantly smaller and very different place. In the present atmosphere of uncertainty it is dauntingly difficult even to begin to plan for the wide variety of specific circumstances with which we may be confronted.

Further deepening my concern are uncertainties over the duration of these reductions. I believe the only prudent outlook is the one expressed by Frank Press in the current issue (21 March 1986) of Science. His view is that

> the scientific community, rather than think that the budgetary crisis was short-lived, must operate on the assumption that it will endure for years, perhaps to the end of the century. I think we must assume in our planning that past real growths in basic research budgets are now history and that future growth is likely to be almost flat or, in some areas, negative.

Applied to the Smithsonian, with uncontrollable increases in its costs as a result of new facilities coming on-line, rising utilities bills, and the like, negative growth would clearly be our lot if Press' projection is at all accurate.

Mr. Chairman, I do not want to speak further in this context before you have had an opportunity to examine, and we to defend, our FY 1987 budget which has been carefully crafted and, we believe, is fully justified. All federally-supported activities may face an absolutely imperative scaling-back of commitments and activities they have come to regard as essential, and the Smithsonian naturally cannot be excluded from that process. But I do want to invite your consideration of an alternative way of managing the Smithsonian budget in the event that there are further GRH-mandated reductions.

As you know, we have for many years presented our operating budget to you by line item, with each museum or other program described in substantial detail. This procedure has served us both well, and I have the impression that today it leaves you virtually as familiar as we with our activities. We will continue with the same procedure in our presentation today.

Potentially, however, there is a grave disadvantage to this procedure because of the inflexibilities placed upon me as a manager by the GRH requirement that uniform percentage cuts be taken at the program-project-activity level in the operating budget. To be sure, the legislation allows for re-programming with this Subcommittee and the equivalent body in the Senate. But my basic point is that we will need to act quickly, decisively, perhaps courageously, and in the framework of a comprehensive re-configuration of the Smithsonian's program at a significantly reduced scale. I do not see how this difficult and time-critical exercise in planning can be imaginatively and efficiently carried out in a process of negotiation that must proceed independently from each of the forty or so separate line items in our present budget, and with both Houses of Congress.

As you report on our budget may I suggest that you consider making provision for aggregating a number of line items in order to increase the flexibility that we will need in the event of another GRH-mandated reduction? One possible framework might be the seven functional categories, which correspond reasonably well to the internal organization scheme that the Smithsonian is putting into place: Museums, Research, Public Service, Directorate of International Activities, Special Programs, Administration, and Facilities Services.

Another possibility would involve even a higher level of aggregation: the appropriation of the entire Salaries and Expense account as a lump sum. From your viewpoint this may seem excessively risky, perhaps even an abdication of the responsibilities of Congressional oversight. However, I think this possible drawback might be overcome with appropriate arrangements for timely interim reporting, and of course with a final accounting for your review at the following budgetary hearing. But in any case, the choice of specific mode of aggregation rests with your Subcommittee. Needless to say, my staff is prepared to work with you closely in developing a strategy along these lines in anticipation of the 1987 appropriation.

Permit me now, Mr. Chairman, to turn to my regular statement. When I appeared for the first time before the Subcommittee a year ago I spoke of the strengths of the Smithsonian in defense of a budget request for Fiscal Year 1986 that, although nearly $13 million above the FY 1985 level, was nonetheless carefully honed and deliberately focused. Designed to build on our strengths, the request embodied three important objectives of the priority of Institutional commitments: effective program operations, staffing and operation of two major new entities, the Museum Support Center and the Quadrangle, and improved research support.

As I share with you an overview of the Institution's aspirations for our FY 1987 request, I recognize doing so in an atmosphere of extraordinary budgetary change and uncertainty -- the implications of which are, perhaps, as disquieting to you as they are to me and my colleagues. Unchanged, however, are our objectives, which not only were unmet by the FY 1986 process, but were substantially diminished by it; a brief review of that process is illuminating.

A separate document submitted to the Subcommittee describes the details and the effects of the required Gramm-Rudman-Hollings reductions across the five Smithsonian appropriation accounts, as well as some forty line items in the Salaries and Expenses Account. It is sufficient here to state that those reductions were the latest in a series of retrenchments that included the .6 percent base reduction in the Continuing Resolution and earlier reductions by the Subcommittee and its Senate counterpart. The net effect has been that as of March 1, 1986, the Smithsonian had sustained reductions totaling more than $20,000,000 from the request that had gone to Congress slightly more than a year earlier.

In the Salaries and Expenses Account for Fiscal Year 1986 the reductions exceed $16,000,000, leaving an amount that is just over $5,000,000 more than was provided for Fiscal Year 1985. Certainly we are grateful for it, but would note that it is about $1,700,000 less than we had requested solely for uncontrollable increases such as legislated pay increases, utility costs, and the like.

The prospects for further cuts can only be viewed as chilling, for that would be their effect on the lifeblood of the Smithsonian. Automatic, mindless, across-the-board reductions for Fiscal Year 1987 in the range of 8.4 percent, as the Congressional Budget Office recently has suggested, against our already tattered FY 1986 base, would eliminate another $16,000,000.

We have not yet explored the details of a 1987 reduction, but we remain dedicated to the principle that the Institution must preserve its core functions for research and for the care and conservation of the national collections and the structures that house them. At the same time, we also have important responsibilities for broad public and outreach services. It is likely that we would have to reduce hours of operation, perhaps to the point of closing museums one or two days a week; possibly eliminate whole programs; and generally furlough or otherwise reduce our staff. While staff costs constitute approximately 65 percent of our current budget and may seem an easy target, it is important to remember that the collections are of little value to the Nation unless they are housed, cared for, conserved, studied, documented, managed, exhibited, interpreted, and guarded by the people who are the Institution's most important resource.

A century and a half ago, on July 1, 1836, the Nation pledged its faith to the execution of the will of James Smithson for ". . . the purpose of founding and endowing at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men . . ." In a report that accompanied the legislation - and probably was written by John Quincy Adams - the House Committee stated that in accepting Mr. Smithson's bequest the Congress would

> ". . . feel in all its power and plenitude the obligation of responding to the confidence reposed by him, with all the fidelity, disinterestedness and perseverance of exertion which may carry into effective execution the noble purpose . . ."

Mr. Chairman, that noble vision and the faith of the Nation have created and sustained a great Institution, but it is an Institution in need of sesquicentennial plenitude if it is to endure and continue to fulfill its noble purpose. I urge that the option of appropriating our budget request for Fiscal Year 1987 be pursued vigorously.

We recognize that in the present environment the Smithsonian request is anomalous. Its approval would, in effect, entail re-appropriating the Fiscal Year 1986 Gramm-Rudman-Hollings reductions and provide a modest increase. This increased funding would be mainly for inflation-related items, Museum Support Center and Quadrangle operations, commemorative events of a national nature, and research support, the same objectives and commitments we had a year ago. Although the total request is nearly $24 million above the current FY 1986 base, it is less than $4,000,000 - only 1-1/2 percent - above our original FY 1986 request to Congress.

With regard to the specifics of our FY 1987 budget request, it includes $15[illegible].1 million for Salaries and Expenses, $12.8 million for Restoration & Renovation of Buildings, $4.9 million for Zoo construction, $4.0 million for Quadrangle construction, and $3.5 million for construction of a laboratory and conference center at the Smithsonian Tropical Research Institute in Panama. No additional funding is requested for the Special Foreign Currency Program for FY 1987.

The written statement submitted to the Subcommittee highlights the specific program requirements for which additional funding is requested for FY 1987. Let me just indicate here that the budget request before you, developed with the full participation of bureau and program directors throughout the Institution, represents the funding required to move ahead with our most important programs and initiatives, including the realization of the programs planned for the Quadrangle; the reinforcement of the Institution's research capabilities; the commemoration of significant historical milestones (such as the bicentennial of the U. S. Constitution and the upcoming quincentenary of the landing of Christopher Columbus in the New World); and the continuing process of preparation and transfer of the collections to the Museum Support Center. Funding is also required to continue the Institution's critical long-term program to maintain, upgrade, and renovate its museum, research, and support facilities, including the museum buildings on the Mall, the buildings and grounds of the National Zoological Park, and research facilities from Edgewater, Maryland, to Mt. Hopkins, Arizona, to Panama. Even with the current economic environment and the need to hold the line on Federal spending, we believe that the funding requested for the Smithsonian for FY 1987 is essential in order to allow us to meet our responsibilities to the Nation and to the Institution's mandate as set forth in James Smithson's bequest.

Mr. Chairman, as you will understand, long-range planning in times such as these is difficult at best. Our guidance from the Office of Management and Budget suggests that we can anticipate funding for future years only in terms of increases for inflation. We have, as you know, a number of construction projects in mind, virtually all of which have been deferred while we study the effects on delay or explore various alternative sources of funding.

Within whatever resources are available we would hope to reinforce areas of traditional Smithsonian expertise such as systematics, tropical biology, and American cultural history, while also trying to develop means for sharing the richness of the Institution more widely here and abroad. We welcome the counsel and the support of the Subcommittee as we engage in these efforts and guide the Institution in these extraordinary times.

ACQUISITION PROGRAM AT AMERICAN HISTORY

Mr. **Adams**. Mr. Chairman, there are a number of objects that have been brought to the committee room here, and at some appropriate time in the schedule, I think, reflect the kinds of activities in which we have been engaged during the course of the year, and I leave it to you——

Mr. **Yates**. This, I think, is probably the best time, before we start on the details of the budget. What are the objects?

Mr. **Adams**. There is a whole series. I would prefer if the museum directors who have made these selections were to say just a word about each of them.

Roger, do you want to start off?

Mr. **Kennedy**. We have here a compass of 1879 used to survey a wide range of American boundaries.

Mr. **Yates**. Should we join you there?

Mr. **Kennedy**. We can bring it over to you, I think.

This represents the continuing process of acquisition with Federal funds, in this case $1,600. This was built by a colleague of Rittenhouse and was used widely to delineate the contours of the beginnings of America.

Mr. **Yates**. Why is this a white glove affair?

Mr. **Kennedy**. If I touch that without gloves on, I am going to leave a smear of my perspiration on it, and the curators would shoot me at sunrise. We always touch our objects with care.

Mr. **Yates**. Why must it be white gloves?

Mr. **Kennedy**. To show the committee we take this very seriously, Mr. Chairman.

We have a flute here, which comes by donation. The primary point here is that we have a wide spread of things that we do. Some come by donation and some come by—I am not going to pull that one apart.

Ms. **Morris**. There are two little levers on each side. Push them out.

Mr. **Kennedy**. This comes by gift. It is a flute. It is a band flute used for military bands, and it is—this simply means we got this by gift. We got the compass by purchase.

We need both means of acquisition, and we are very grateful for the purchase funds.

Mr. **Yates**. How does Gramm-Rudman affect that?

Mr. **Kennedy**. The purchase funds essentially get knocked out for next year.

Mr. **Yates**. Don't you have a pool, an acquisitions pool that gives you a right over your colleagues during certain years, or is that only for objects of art?

Mr. **Kennedy**. On the Federal side, the National History Museum asked for $80,000. With Gramm-Rudman and other reductions, we have had to make cuts to about half that, so that the entire acquisition budget from Federal resources is, I believe, approximately $40,000 to $50,000 at the end of our Gramm-Rudman planning.

We have $27,000 left, I know, to spend this year of the $80,000, which, of course, is an absurdly small sum.

Mr. **Yates.** What do you want to buy that you can't buy, and why is it important for you to have it?

Mr. **Kennedy.** I think the best way to answer that, because of the enormous diversity of stuff we collect, is to give you, for the record, a list of what we did buy this year and next to that a list of things we got by gift, which would indicate the range and the kinds of costs.

[The information follows:]

FY 1986 ANNUAL REPORT
COLLECTIONS COMMITTEE

PURCHASES

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF SOCIAL AND CULTURAL HISTORY	
	CERAMICS & GLASS	
10/1/85	19th c glass garden bell	1820-60, 16", used as portable greenhouses covering delicate plants for protection and forcing, unknown American manufacturer. ($750.00)
02/6/86	Ceramic pitcher	1853. Edwin Bennett's Baltimore pottery. 13" tall. Experimental piece. Only known example of Bennett's use of flint-enamel glazing. ($3,800.00)
	COMMUNITY LIFE	
11/07/85	116 greeting cards and postcards portraying Blacks	To be used in Index of Afro-Americana project. ($300.00)
02/20/86	Pressbooks from movies and broadway shows	Pressbooks: "Rocky", "Grease", "Dr. Strangelove", "A Man Called Adam", "My Fair Lady", and "Porgy and Bess" ($90.00)
03/06/86	Sheet music and pressbooks	Sheet music: "Spring Parade", "Davy Crockett", "Sunday", "Carry Me Back", "Underground Railroad", among others, and Pressbook: "Damn Yankees". ($71.00)
	COSTUME	
08/30/85	Lot children's clothing (2 blue dresses, 1 pair of short pants)	1870-80, Cora Ginsburg. Clearly document how differently boys were raised in 19th century. ($300.00)
02/06/86	15 Items of clothing (men's, women's and children's)	1805-1950, Fay Knicely. Document appearance of Americans from 19th century to present ($435.00)
	DOMESTIC LIFE	
12/18/85	2 Iron box locks	18th c, English. To be used in 18th c LIA exhibit (6" x 4"). ($730.00)

PURCHASES

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF SOCIAL AND CULTURAL HISTORY	
	GRAPHIC ARTS	
11/07/85	6 Intaglio Prints and 1 lithograph	Intaglio prints: 21 x 27"; lithograph: 11 x 15". Both are innovative, technical methods employed in their production and also represent an insider's view of subject. ($1,260.00)
11/22/85	4 Letterpress cuts and 1 negative	Washington Engraving, zinc wood mounting. (PRIVATE FUNDS: $95.00)
12/26/85	2 Pamphlets	(1) 1856 Government document on Adams press; (2) Chauncey Wright Wood engraving specimens (incl. Scott's printing machine). ($80.00)
	MUSICAL INSTRUMENTS	
11/07/85	8 Letters: 3 of Joseph Servais; 5 of Francois Servais; 1 photograph of Francois Servais with cello & end pin; 1 lithograph of Servais (signed and dedicated to Joseph Fishoff)	Material relates to Servais Stradivarius violincello and photograph of Francois Servais shows proof of using an endpin on cello. ($1,300.00)
03/18/86	1 Metal E^b clarinet	19th century, 44.3 cm. long, manufactured by John Pfaff, Philadelphia, either brass with a trace of nickel or nickel silver; excellent condition; fine example of Yankee craftsmanship. ($850.00)
	PHOTOGRAPHIC HISTORY	
	POLITICAL HISTORY	
08/30/85	32 Posters - Westinghouse WWII production and incentive posters	Westinghouse Corp., WWII era (J. Howard Miller collection). ($2,400.00)
10/18/85	Videocassette "The People Ask the President"	1956 Eisenhower re-election campaign television program (30 minutes); 3/4" U-Matic. ($350.00)
	TEXTILES	
12/4/85	Stencilled bedcover & companion dust ruffle	1820-1840, New England bedcover: 94 3/4" sq; dust ruffle: 20 5/8"h and 18' long. Stencilled bedcovers are very rare, especially with a companion dust ruffle. ($6,500)

PURCHASES

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF SOCIAL AND CULTURAL HISTORY	
	TEXTILES (cont'd)	
01/8/86	Paisley-type shawl & receipt of same	Shawl: Lady's woven, 11'4" x 5'5", wool, 8 colors in pattern, ca 1870, Paisley, Scotland. Receipt: 1870, New York City store. ($250.00)
	DEPARTMENT OF HISTORY OF SCIENCE AND TECHNOLOGY	
	ARMED FORCES HISTORY	
10/10/85	Restrike of Royal Mint medal (founder's medal with King William IV's picture)	Additional funds needed for restrike. Medal used in the Wilkes exhibit, MNH. ($500.00)
11/26/85	1 Ledger, 2 folders, 2 booklets, 1 manuscript volume	1880's. Recounts the beginnings of the steel Navy. $203.60)
	ELECTRICITY & MODERN PHYSICS	
12/27/85	Catalogs, documents, magazines	E.R. Beers Electrical Wholesalers collection, Bloomsburg, PA. Unique opportunity to obtain documentation on a medium-sized typical electrical wholesaler operating in a very important period, particularly for electrical appliances. (PRIVATE FUNDS: $386.00)
	AGRICULTURE & NATURAL RESOURCES	
	MATHEMATICS	
	ENGINEERING & INDUSTRY	
10/25/85	Bond Astronomical Regulator	1850, Wm. Bond & Son, Boston, 5' x 2' x 2'; case style most unusual (made for Alvan Clark). Firm was one of country's leading chronometer and clockmaking firms. (FEDERAL FUNDS: $10,000/PRIVATE FUNDS: $12,500)
12/9/85	Two photographs of pipe-laying in the Seine River (Paris)	1865. Laying of an underwater pipeline (gas or water supply. ($250.00)

PURCHASES

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF HISTORY OF SCIENCE AND TECHNOLOGY	
	ENGINEERING & INDUSTRY (cont'd)	
1/8/86	Holland Tunnel silver-print photograph	1925, 15 1/2" x 19 1/2", silver-print photograph showing cross-section of Holland Tunnel for vehicular traffic compared to cross-section of small Hudson & Manhattan railroad tunnel. (PRIVATE FUNDS: $175.00)
	MEDICAL SCIENCES	
11/26/85	Dental vulcanizer	ca. 1867, Buffalo Dental Company (BT Whitney), 11 1/2"h; 5 lbs. Used to head a cast for making artificial dentures. ($480.00)
1/16/86	10 3-D Wax anatomical models	19th c., Joseph Towne. Models are 3-D, of contagious diseases prevalent in U.S. in last few centuries: leprosy, TB, syphilis and cholera. ($4,000)
03/05/86	Early aircraft first-aid kit	ca. 1920s or 1930s, manufactured by Borroughs Wellcome & Co., NY. "No. 2 First Aid Kit for Aircraft carrying 5 to 25 passengers. 'Tabloid' first-aid 16 unit pac-kit." These kits accompanied Teddy Roosevelt up the Amazon, the explorers to the North and South Poles, and the climbers who first scaled Mt. Everest. The kit would make a very nice addition to collection. ($125.00)
	PHYSICAL SCIENCES	
10/24/85	Surveying Instrument	Roland Houghton 1730-1744, Boston. Earliest American surveying instrument. ($1,100.00)
1/8/86	Engineer's transit, 1930	1930, W. & L.E. Gurley, Troy, NY, 7 1/2" x 10" x 13 1/2", 9 1/2 lbs, aluminum construction ("novel" material). ($175.00)
	TRANSPORTATION	
12/18/85	NY Central Container	1921, American Car & Foundry Co. Large metal box used to ship merchandise by rail car and truck. ($1.00)

PURCHASES

DATE	ITEM/DEPT/DIV	DESCRIPTION
	NATIONAL PHILATELIC COLLECTION	
11/26/85	Reproduction Pony Express Saddle	Robert Mooney & son of Bill's Saddlery. Craftsmen are descendents of original saddlers who produced the riding equipment used over a century ago to carry mail between Missouri and California. (NPC FUNDS: $575.00)
	NATIONAL NUMISMATIC COLLECTION	
	NO PURCHASES AT PRESENT	

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF SOCIAL AND CULTURAL HISTORY	
	CERAMICS & GLASS	
12/9/85	4 Ceramic items & 19 stereographs	Whiteware covered dish: Thomas Maddock & Sons, Trenton, NJ, late 1870s. Maddock introduced sanitary ware to America. Collection welcomes addition of sanitary jar specimen. Stoneware footwarmer: 1912, Dorchester Pottery Works, Boston, MA. Utilitarian household and industrial stoneware. Footwarmer is best-known example from Dorchester Works' earlier years (in later years, 1940-65, factory made trendy, hand-made blue-decorated table stoneware. Stoneware jug with brown glaze on neck and collar: 1882, Whitmore, Robinson & Co., Akron, OH. Significance to collection is patent mark. Patent and jug are work of important Ohio factory. Jug is good, documented example relating to evolution of mass production in American pottery industry. Stoneware jug: Baltimore, Md/Philadelphia, PA, ca. 1850-1900. Jug illustrates symbiotic connection that existed between druggists and potters. Set of 19 stereographs: Underwood & Underwood, 1st quarter of 20th c. Shows stages in making of cylinder windowglass from batch mixing and storage of glass ingredients through blowing of cylinders by compressed air, cutting, and flattening, to packing the panes in straw for shipment.
12/31/85	6 Stereographs	donor: Robert Vogel
03/18/86	Collection of pottery, documents and potters' tools.	19th-20th century. Made by Edwin Bennett of Baltimore at the Edwin Bennett Pottery Company, Chesapeake Pottery and at the Severn Clay Co., and Severn Studios; donor is a descendant of Mr. Bennett. Rare opportunity to document the output of a series of family commercial ware potteries.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF SOCIAL AND CULTURAL HISTORY	
	CERAMICS & GLASS (cont'd)	
03/18/86	Gillinder glass collection	Made at the Philadelphia Gillinder Glass Works. Examples include: Gillinder cameo glass (ca. 1880s); pressed glass. Gillinder is one of the major figures in American glass history. Family remained in business until 1964.
	COMMUNITY LIFE	
10/01/85	1 Pew	1859, St. Aloysius Church (Gonzaga) Washington, DC. 79" l x 39" h x 20" d. Pine and cherry woods.
11/07/85	43 Pieces of sheet music	1897 - mid 20th c. 9" x 12" (stacked: 2" or so). Popular American music and entertainment by Victor Herbert, Oscar Hammerstein II, Richard Rogers, Vincent Youmans, Meredith Wilson, Irving Berlin and others
12/18/85	1 Shop Sign	Painted wood (gold, black, red). 1 1/4" x 39" x 17". For Chinese-American collection.
12/18/85	10 Stereographs	"Public Helpers"
12/31/85	Lidded, carved oak & iron box	1750-1800, Finland, 12.7 cms x 28.2 cms x 23.7 cms. Carved elements include pinwheel, circle, six-point star, chip-carved leaves and hearts (late Medieval style).
02/06/86	12 German-American immigration objects	19-20th c. Documents, photographs, commonplace and highly decorated objects will add to Division's collection of largest single American immigrant group.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF SOCIAL AND CULTURAL HISTORY	
	COMMUNITY LIFE (cont'd)	
03/05/86	Chalice	1955, gilded silver with ivory and diamonds, Roman Catholic, manufactured by Creviston & Son, St. Joseph, MO. Made for the personal use of Joan Creviston Oitto's uncle, Monsignor Lawrence Creviston (1904-1959) who was a Navy Chaplain through WWI and then returned to Missouri. Community Life, therefore has full documentation of both production and use of superbly crafted object.
	COSTUME	
10/15/85	20 Pieces of clothing, sketches, and accessories	Designed by Rudi Gernreich, 1950s & 1960s. Early evidence of clothing that depended on nude body for shaping. Avant-garde styles. Unisex clothing.
	DOMESTIC LIFE	
12/06/85	98 Pewter objects	17th-19th c. Dishes, plates, tankards, mugs, etc. American origin. Exceptionally good condition.
03/18/86	Bedsprings	c. 1930's. Manufactured by Simmons. 72 1/2' x 37 1/2' x 6", 75 lbs. Has original label: "SIMMONS/Spring/BUILT FOR SLEEP/SIMMONS COMPANY. Relates to metal technology and spring design. Help bring collection into the 20th century.
03/18/86	Dishwasher	c. 1940. 2 x 2 x 3 feet, 300 lbs. General Electric; white enamel, good condition, original basket and other parts. Relates to women and advertising; countertop model.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF SOCIAL AND CULTURAL HISTORY	
	GRAPHIC ARTS	
1/7/86	3 Early typecasting machines (2nd Band, Clephane, rotary stereotype)	Mergenthaler Linotype Company, Germany. 2nd Band: 1884. Immediate predecessor of Linotype. James Clephane: 1876. Experimental machine that started Merganthaler thinking about typesetting problems and solutions. Rotary stereotype: 1879. Merganthaler's improvement on the machine.
	MUSICAL INSTRUMENTS	
11/07/85	Violin by Leopold Widholm	1782, Nurnberg. In stable, playing condition.
11/07/85	Square Piano	Knabe, 1860, Baltimore. 4' x 6' x 4'. No previous examples of this type. In good condition (hand-painted metal plate).
1/21/85	Chickering objects: graphics, books, action models, workbench	Graphics (framed): oil portrait of Jonas Chickering (unsigned). U.S. and foreign patents, trade catalogs, sales register. Portraits, engravings, photographs of Chickering factory interiors, medals, work bench (belonging to J. Chickering) with drawers and 2 vises (7'3" x 3'4" x 2'10", 210 lbs. Aeolian-American Piano Co., Rochester, NY.
12/4/85	Steinway parlor grand piano (Model M)	1936. Incredible condition and fine document of Steinway work of its period. Premier parlor grand. Have no previous examples of Steinway work after 1891 instrument. Plan to use it for "events."
	PHOTOGRAPHIC HISTORY	
	NONE AT PRESENT	
	POLITICAL HISTORY	
10/01/85	41 Posters - WWI	2' x 3' each. Posters relating to activities on the American home front.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF SOCIAL AND CULTURAL HISTORY	
	POLITICAL HISTORY (cont'd)	
10/01/85	Collection of political campaign bunting	19th c. 18" x 24" each. Finest most well-preserved examples in collection: James G. Blaine; Grover Cleveland; and John A. Logan and James G. Blaine.
12/18/85	200 Stereographs of Washington, DC	(federal government buildings)
	TEXTILES	
01/23/86	Tape Loom (1984 Acquisition No.)	Floor-based single heddle model with squirrel cage. 63 1/2" x 9 3/8" x 30 3/4". Eastern U.S. origin (either MD or PA). Mid-19th c. Nothing like it in collection.
	DEPARTMENT OF HISTORY OF SCIENCE AND TECHNOLOGY	
	ARMED FORCES HISTORY	
10/01/85	25 WWI posters	Recruitment posters. 2' x 3' each.
	ELECTRICITY & MODERN PHYSICS	
10/16/85	39 Specimens	Teletype equipment from AT&T, Chicago. Approx. 3 cu. ft., 30-40 lbs. each.
12/18/85	1 Telephone pole	Pacific Bell. 14 ft. long, 1 ft. sq. in cross-section. One of 4 poles that were set near Utah-Nevada border, connecting the transcontinental telephone line in 1914.
12/18/85	Holofacet laser scanner	(Holographic Scanner). 1960s. Incorporates high speed laser scanning techniques to achieve picture resolutions of great definition. 10 1/2" x 7 1/2" x 5 1/2".

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF HISTORY OF SCIENCE AND TECHNOLOGY	
	ELECTRICITY & MODERN PHYSICS (cont'd)	
01/23/86	300 Items	Texas Instruments: Examples of different types of crystals, transitors, and integrated circuits, plus examples of specific types. These will help division determine state of quality control, deterioration over time, and details of electrical characteristics of microstructure.
	ENGINEERING & INDUSTRY	
12/31/85	3 Time-locks	8" x 5" x 3", 1870, 1920, 1966. Movements - Swiss; mechanisms - Canton, OH and Philadelphia, PA. Manu.- Diebold, Inc. All are in working condition (glass broken on 1920 lock and glass replaced with plexiglass on 1870 lock). These three time-locks are from a demolished bank in Baltimore, MD, and show the lack of development of time-locks over 100 years. Each lock shows the name of building of clock mechanism, lock mechanism, and safe maker.
12/31/85	754 Stereographs; 91 photographs	Photographs: bridges under construction

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF HISTORY OF SCIENCE AND TECHNOLOGY	
	ENGINEERING & INDUSTRY (cont'd)	
02/06/86	1 Shelf clock with ceramic case, 1 shelf clock with bicycle rider, 1 shelf clock with figure of Franklin Roosevelt	Shelf clock with ceramic case: ca. 1900, 9" x 10 3/8" x 5", Ansonia Clock Co., NY. Will enhance clock collection in examples of turn-of-the century domestic pieces. Shelf clock with bicycle rider: ca. 1900, 6 1/4" x 3 1/2", British United Clock Co., Ltd., Birmingham, England. Have very few English clocks from 19th & 20th c. Examples of domestic timepieces. Novelty clock. Shelf clock with figure of Franklin Roosevelt at the wheel of a ship, marked with the slogan "At the Wheel of the New Deal:" ca. 1940, 9 1/2" x 13 1/2" x 4", clock case manufacture: Gibralter Electric Clock Co., Jersey City, NJ; clock movement manufacture: Jerger Clock Co., Germany. Clock is a marriage of a German mechanical movement to a cast-aluminum case. Nothing identical to this clock in Political History. Novelty clock.
	MEDICAL SCIENCES	
12/18/85	179 Pharmaceutical artifacts 220 advertising materials for archives	Artifacts: Patent medicines (114), bandages & plasters (4), clamps (3), container (1), cosmetics (16), disinfectants (2), display stands (2), herbicides (1), insecticides (4), and vitamins (12). Advertising materials: ads for pharmaceuticals and medical products, tobacco products, Coca-Cola and Kodak products together with labels, trade literature, photographs, etc. Most of above from 1920s to 1960s. Sherman Pharmacy in Sherman, NY, est. 1895. Excellent condition.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF HISTORY OF SCIENCE AND TECHNOLOGY	
	MEDICAL SCIENCES (cont'd)	
01/23/86	NMR Scanner	Nuclear Magnetic Resonance Imaging Device "The Indomitable." 1977, 103" x 72" x 144"; 1,500 lbs. Dr. Raymond Damadian, Fonor Corp. Used for whole body scanning of a human subject. Diagnostic value: early cancer detection, lack of potential harmful radiation and ability to gather quickly quantitative biochemical information from tissue.
02/06/86	Soda fountain and accessories	Soda fountain: "The Monitor Crystal Spa." John Matthews firm in NY, 1878. Fountain was in operation from 1890 until 1959. Soda dispenser with glass dome and wooden base (130.5 x 66 x 42 cm); mixing tank and tank rocker, CO_2 tank, 8 drinking glasses, 12 syrup bottles with etched labels and pewter and aluminum caps, some photographs and correspondence
02/06/86	185 Pharmaceutical products, manufacturing records, and advertising files, trade catalogs, and photographs	1920-1980, Norwich Eaton Pharmaceuticals Company, Norwich, NY. Research-based manufacturer. Will help division document tremendous growth and development of pharmaceutical industry in 20th century.
	PHYSICAL SCIENCES	
10/15/85	96 Pieces of microanalytical chemical glassware	22" x 13 3/4" x 2". Mid 20th c. Excellent condition. Good sampling of types of glassware used in microanalysis.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF HISTORY OF SCIENCE AND TECHNOLOGY	
	TRANSPORTATION	
10/15/85	33 Stone sleepers	From railroad on which John Bull operated. 225 lbs, 2' x 2' x 1'. Early 19th c. Blocks of rough-hewn stone (granite or "bog iron") directly supporting two parallel rails in earliest form of railroad track construction in England and U.S. Part of very first section of Camden & Amboy Railroad to open with horse cars between Hightstown & Bordentown, NJ, in September 1832.
11/26/85	Gasoline locomotive & spare parts, dump car, small quantity of rail	Gasoline locomotive: 1919, 3 1/2 tons, 5' x 7' x 10', Plymouth, OH. Early example of internal combustion engine. Goal of division is to bring railroad collection into 20th century. Spare parts: 3^{9}' box. Dump car: Watt Car & Wheel Co., Barnesville, OH. 1953, 1/2 ton, 80" x 60" x 51". Basic, fundamental prototypical industrial railroad car. User for spare parts and dump car: Hyper-Humus Co., Newton, NJ. Small quantity of rail: 60' 1, 500 lbs., 1/2 ton.
12/18/85	Steel container	1931, 14'8" x 8'2" x 7'6", weight empty: 3,720 lbs; weight full: 13,000 lbs. American Car & Foundry Co. Steel furniture container for international shipments. Ties together road, rail, water and air transportation since containers are intermodal.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	DEPARTMENT OF HISTORY OF SCIENCE AND TECHNOLOGY	
	TRANSPORTATION (cont'd)	
03/05/86	Model of NY Class "ECONSHIP" container ship	Model of ship c, 1982, built by Daewoo Shipbuilding & Heavy Machinery Ltd., South Korea. Model size: 45 x 13 1/2 x 11 1/2 inches to be received from U.S. Lines, Inc., Washington, DC. Container ships, the floating counterparts of the piggyback freight trains, are an American innovation that has revolutionized the world's shipping industry. The model is a representation of 12 identical ships, the largest and most modern of their kind in the world. The design to which they were built embodies the latest achievements in naval engineering, metallography, and hydrodynamics.
03/05/86	Model of stern wheel steamer "Duquesne"	1946-69; 80" long. Donor and model builder: Robert D. Latta, Pittsburgh, PA, Model represents a stern wheel, coal burning, steam-powered tow or push boat, long a familiar sight on the rivers. Fits very nice in HAME inland waterway section. No boats of this vintage and use are currently represented.
	NATIONAL PHILATELIC COLLECTION	
10/15/85	Swiss Stamps & covers	Specialized collection, 1843-1979. Singles, pairs, blocks of four, tete-beche (pair of stamps, one upside down in relation to the other), se-tenant (twop or more different stamps joined together), as well as covers showing different uses.
02/06/86	2,218 Postage stamps of Turkey	Collection of Turkish stamps contained in 10 stock cards and on approximately 110 album pages.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	NATIONAL NUMISMATIC COLLECTION	
11/27/85	1 Bronze medal with silver insert	1975, Kauko Rasanen, Finland. Entitled "L.M. Ericcsson 1876-1976, Telephone, Sweden 100 Years." Artist is one of foremost medallists in Europe and known for his contemporary multi-part medals.
12/18/85	111 U.S. financial documents	19th-20th c. Fine to very fine condition. Greatly augments NNC's U.S. banking section collection according to city and state.
12/18/85	58 Ancient Greek coins	5th-3rd c. B.C. Ancient Greece and Roman Imperial colonies. Very fine condition, extremely rare and scarce. Unique representation of Southern Italy cities.
12/18/85	40 Sudanese seige notes	1884, Khartoum, Gen. Charles G. Gordon. Very good condition; most complete by demoninations and serial numbers.
12/18/85	14 Ancient Greek silver coins	5th-4th c. B.C. Ancient Greece, Roman Imperial colonies, Asian Ancient Empires. Fine condition, very rare.
	ARCHIVES CENTER	
11/07/85	7,500 Cards, posters, scrapbooks and photographs	18th, 19th, and 20th c. Norcross Greeting Card Co. (now Windsor Communications). Newspaper clippings, salesmen's sample books, films of sales meetings, slides detailing operation of company, glassplate negatives picturing Louis Prang Co. and staff, color separations for printing of a Prang greeting card. These items will improve the collection by adding unique examples of historic greeting cards, illustrations of printing of cards during Prang era and examples of complete process of manufacturing, advertising and selling greeting cards by Norcross.

GIFTS

DATE	ITEM/DEPT/DIV	DESCRIPTION
	ARCHIVES CENTER (cont'd)	
01/23/86	21 Glassplate negative photographs of Washington, DC, and vicinity	1875-1885. Scenes: Capitol, "Panorama" building near Washington Monument. Fairly good condition, images are sharp and clear.
03/05/86	Records of Chickering & Sons 50 volumes & 1 box	1823-1985, piano manufacturers. Approx. 20 linear feet, from Wurlitzer Company of DeKalb, IL. Chickering & Sons was earliest major piano manufacturer in America. This acquisition would form an important nucleus of records documenting the manufacture and sale of musical instruments in America.

Mr. **Kennedy**. Our materials do not tend to be very costly relative to art museum materials, but they do represent such an enormous range of interest and activities and they are so fragile—that is to say, they will go away. They will disappear, in many cases.

Mr. **Yates**. Can you give us a for instance?

Mr. **Kennedy**. Sure. We are acquiring this year a group of pamphlets and letters from a black family in Philadelphia which they have been keeping around which go back a very long way.

They have no particular sense of their historical value. They have little monetary value, but to them that monetary value is very significant.

We do not have, as many art museums do, a group of donors lying around to buy those things for us. That is just not a part of the history museum business.

You don't say, "I want to buy a Rubens," and go to your favorite donor.

Unless we have some Federal funds, we won't be able to stop the deterioration and loss of many significant items associated often with obscure people.

Mr. **Yates**. Is that being hurt by Gramm-Rudman, too?

Mr. **Kennedy**. Yes. That budget, because everything has had to give, has lost about half for next year than what we would have this year.

Mr. **Yates**. How critical is it? How critical is it that you get the money this year rather than next year?

Mr. **Kennedy**. It is important to have available funds to buy things that would otherwise disappear, and since the sum of money here is in the tens of thousands, not in the hundreds of thousands, that restoration would be very important to us.

Mr. **Yates**. Why don't you take it out of the earnings from your store? You have such a wonderful store.

Mr. **Kennedy**. We do.

Mr. **Yates**. Then you have enough money to take care of everything.

Mr. **Kennedy**. No, we don't. There is a Regent's acquisition fund which applies both to us and the others, which the Secretary can tell you about, but we use the store's revenue, as well.

Mr. **Adams**. I would like to correct the record in one small respect. I wish it were true, but the Smithsonian does not have donors lying around waiting to buy things for us.

Mr. **Kennedy**. Sorry, I didn't want to imply that.

Mr. **Adams**. I wish we did. Other museums may do better in that respect than we do. They are not lying around to do that.

Mr. **Yates**. I had the impression donors were standing in line with gifts, and you don't want them. Is that a misapprehension?

Mr. **Adams**. I think that is a misapprehension.

BUDGET NEEDS AT AMERICAN HISTORY

Mr. **Yates**. Roger, what are your needs and problems of the American History Museum. We saw those lovely items. It is too bad you couldn't have brought the Paderevski piano with you, which I found a wonderful exhibit.

Mr. KENNEDY. We should take this hearing on location, Mr. Chairman.

Mr. YATES. That is a good idea. What were you hoping to do? What will Gramm-Rudman stop you from doing, and how will you be hurt?

Mr. KENNEDY. The cuts, so far, have a much deeper consequence to the operation of our bureau and, I think, other bureaus than appears just by a survey of percentages.

Because of the impact of civil service salaries upon our aggregate budget, which in our case represents about 90 percent of the money that comes in and goes out every year, if you take 4.3 percent plus .6 percent and an unrestored 2 percent of our budget off of the top, it means that, essentially, the money we have to do all of our education, all of our outreach, all of our exhibits, all of our acquisitions, and anything new that would affect the public in terms of "diffusion"—that amount is cut in half by the first round of Gramm-Rudman.

And if I could give you just a little detail as to what that means to the operations of a national museum, it may eliminate some of the needs the other brethren around here have got.

We talked to you for years about trying to get control of our collections through an inventory process.

Mr. YATES. I assume you have that now.

Mr. KENNEDY. We have not. Because each year, we have been coming back to you for the continuing sums necessary both to catch up with the past and also to keep track of what comes in the door every year.

INVENTORY PROGRAM AT AMERICAN HISTORY

We acquire, as we did this year, nearly 73,000 items, but many of them are very small. But some of them are very significant.

What happens here is that we will begin to lose control of that inventory process this year again.

It means that the amount of money that you have given us in the past—to catch up—will now, in a sense, be imperiled, because we aren't going to be able to have enough to finish it up. We will begin to lose control again of our national collection.

Mr. YATES. How will this stop you?

Mr. KENNEDY. We won't be able to hire the people that are necessary simply to keep track of what we own.

There are something like—a thousand objects backed up in our objects processing facility right now not yet in the record.

ASBESTOS CONTAMINATION

And in a place like ours, where we have nearly a million artifacts in our storage facility that are asbestos contaminated—some of them are significant research collections—that material, as a result of the first round of Gramm-Rudman, will not be cleaned up.

It will just stay there, inaccessible to the Nation, though its donors and acquirers went to considerable trouble to get it for the Nation, and we won't be able to clean it up.

We will deal with our asbestos much, much more slowly.

And, the fact of the matter is we are not going to be—we are simply going to have deteriorating material on our hands, because we can't cope with it because it is asbestos contaminated.

Mr. **Yates**. What does that mean, "asbestos contaminated"?

Mr. **Kennedy**. It means anybody who deals with it, who tries to research it, and in some cases——

Mr. **Yates**. Give me an example of the type of material you are talking about.

Mr. **Kennedy**. There is a very, very important collection of glass negatives that, if you dealt with them in their current condition, would be cancer producing, because they have asbestos all over them.

There is the Morgan-type collection——

Mr. **Yates**. How do you know it has asbestos all over it?

Mr. **Kennedy**. That is relatively easy to detect. There are machines.

Mr. **Yates**. Have you detected it?

Mr. **Kennedy**. Yes. We know they are contaminated. There is no question about it.

Mr. **Yates**. How many such rooms do you have?

Mr. **Kennedy**. That is part of the much larger Silver Hill decontamination process. There are, I think, as I recall, five buildings still out there that are still heavily contaminated with asbestos, containing very important national collections.

You just can't do everything, and what we will do is to put that material, so to speak, off limits as long as we have to, because we can't clean it up, and therefore, we can't use it.

Mr. **Yates**. How many objects are there?

Mr. **Kennedy**. About a million.

Mr. **Yates**. All contaminated.

Mr. **Kennedy**. Yes.

Mr. **Yates**. What will it cost to clean them up?

Mr. **Kennedy**. The budgets—I can't give you a boxcar number. If we started right now and hired everybody we needed to do it——

Mr. **Yates**. Do you have a plan to clean it up?

Mr. **Kennedy**. Oh, yes. The asbestos clean-up was in process, and we have line item requests for it.

In this case, we will cancel the hiring of two more people. We will cut and paste. We will cut down the computerization of that process. It just means that is one thing we won't be able to do.

I referred earlier to the acquisitions process——

Mr. **Yates**. Before you leave that, is asbestos pollution an ongoing matter where if you do not clean it up, will your place suffer so much it will be unusable in the future?

Mr. **Kennedy**. Some of those materials will deteriorate because we can't get at them to conserve them.

That will be true of paper items and other things that deteriorate. Those glass negatives were received, in many cases, cracked and they are abrading each other, and we ought to get at them and save them, but we can't because we can't work through the health hazards.

The same process affects everything we do.

Mr. **Yates**. Yes. How prevalent is this throughout the Smithsonian? This is the American History Museum. Are the other museums——

Mr. **Adams**. You might ask Mr. Tyler about conditions in Natural History.

Mr. **Yates**. I will.

There is $400,000 in this budget for that?

Mr. **Kennedy**. Yes.

Mr. **Yates**. That is not enough?

Mr. **Kennedy**. No.

Mr. **Yates**. How much do you need?

BUDGET CUTS AT AMERICAN HISTORY

Mr. **Kennedy**. There is about another $100,000 if they let us keep going. Each of these items has a price tag on it, and there are about eight or ten of them for each of the museums. We will simply, under the first round of Gramm-Rudman, cease service to other museums around the country of shipping items to them, participating in their exhibits. We will not have funds to ship and process the lending of national collection items to other museums around the country, period. We will not—that means, of course, that rich museums—and there are some around the country—will be able to pay for that, the poorer ones won't.

We will terminate all the specialized conservation of the national collections. Anything that we can't take care of and fix with staff in the place—anything that would normally go out to somebody to take care of, and that includes a very, very large collection of prints, drawings and, of course, the kinds of things you think of in the American History Museum, that won't be done. There is no way to contract for specialized conservation service.

You mentioned in a previous discussion the condition of the exhibits programs. Let me run down what Gramm-Rudman will do to us. We will eliminate three small exhibits fully researched, fully prepared and fully scripted. They would have dealt with some aspects of American domestic life, part of the history of American typography, and another small show that bears on the Constitution. It has to do with political history. They are not enormously important, but they belong in a National History Museum. We will have cancelled them. The 442 combat team exhibit—discussing the Bicentennial through the celebration of the heroism of the Japanese community—will get a cut. We will just cut that out of our budget unless you tell us not to.

Mr. **Yates**. We will tell you not to. I think the 442nd deserves it. Don't you?

Mr. **Murtha**. Absolutely.

Mr. **Kennedy**. We have already cut $100,000 out of a major program called "Engines of Change", which has to do with the origins of the American industrial process, due this year. We will try to replace it with private funds, and we are obviously seeking to replace all these cuts with private funds.

As it now sits, the depiction of America as a developing country and the origins of industrial process in this country, which complements our existing show which we call "After the Revolution", which deals with the domestic or the home aspects of American life, that show will lose $100,000. It means that is roughly a third to a quarter of its total value and its total potency as a record of the American people.

Cracked glass in the First Ladies' hall will not be fixed, there will be no carpet replacements. We don't have the dough to replace broken glass.

Mr. **Yates**. How did it get broken?

Mr. **Kennedy**. Over time, in a museum, things get broken. We will be closing portions of exhibits that deal with journalism and reporting because we will not be able to spend the thousand bucks a week it costs us to replace light bulbs in our museum. That is a lot of money, and when you can't replace light bulbs, it gets to be unsafe, it gets dark, and when your carpets are deteriorating, people whose heels will get caught will not be able to see the holes in the carpet. That is why we will be closing two primary areas on the third floor of the museum.

Mr. **Yates**. What flooring is under the carpets?

Mr. **Kennedy**. Some of it is marble, but when your heel sticks in it, you don't——

Mr. **Yates**. Heels don't stick in marble, do they?

Mr. **Kennedy**. No, but when there is carpet——

Mr. **Yates**. Take the carpets off.

Mr. **Kennedy**. The Carmichael Auditorium—well, actually we will be taking carpets out.

Mr. **Yates**. Not in the director's office certainly.

Mr. **Kennedy**. We may even take the director's carpet out.

Mr. **Yates**. Okay. Go ahead.

Mr. **Kennedy**. We do not have funds to replace holes and cracks in carpeting in some of our other primary public areas.

Mr. **Yates**. You are not trying to tell me that all this is a result of Gramm-Rudman cuts.

Mr. **Kennedy**. Sure. Because we have been running a very tight ship. We haven't been asking for extra dough here and there to slop around and push around to meet these problems. We are cutting everything across-the-board. But in some cases, where we know we can get our hands on cash, taking it out of a major show, we will take it out. May I proceed with the others?

Mr. **Yates**. Please do.

Mr. **Kennedy**. These are fairly typical. We have a pretty dirty building as it is, it will get dirtier because we won't hire four custodians in our budget and won't hire 12 temporary summer janitors to clean up after the public as it goes through. It is going to look shoddy.

MUSEUM SECURITY

Mr. **Yates**. Are the guards cut?

Mr. **Kennedy**. The regular guards that keep our place safe will not be affected by the Gramm-Rudman cuts. That is the kind of thing, if we had to put the whole thing in cold storage, we will have to make sure the national collections are safe, but we won't be able to make it clean, which is different.

Mr. **Yates**. Shall I ask you at this point if you have lost any articles to vandalism or theft in the last year?

Mr. **Kennedy**. Not this year, sir.

[**Committee note**.—The Museum subsequently reported that in the last year, there was a theft from a storeroom of a pocket TV worth $350 and a manufacturer's label from a tape drive machine on display. Two items were stolen off site: Connie Carpenter's racing suit and a radium dial watch.]

Mr. **Yates**. Do we know about previous years?

Mr. **Kennedy**. Yes. We reported to you on previous years, sir. We are going to be canceling heavily in our performance programs two Smithsonian series and publications, meaning publications intended for general readership. Both the manuscripts are ready. We will cancel all the music programs for the rest of this spring and summer. Our education programs, our interaction with the school system in the District of Columbia will be cancelled, our floor plans distributed to the public will be cancelled.

COLLECTIONS OF STAMPS AND COINS

With respect to the numismatics, the stamps and coin collection, they will stay in purgatory. We will not hire a maritime curator who would have dealt with patterns of trade in shipping, with particular relationship to Latin America, which would have helped us considerably get ready for the Columbus Centennial unless we can raise that dough privately.

Mr. **Yates**. Where is purgatory?

Mr. **Kennedy**. Purgatory means we will not be able to present those collections to the public as they require because we can't staff them for that purpose. In general, we are going to——

Mr. **Murtha**. Could I ask, you mean you are cutting back on staff, is that why you can't staff for that purpose?

Mr. **Kennedy**. We will not be able to complete the staff positions we would fill in order to bring those collections——

Mr. **Murtha**. You are losing people through attrition of some sort, and you are not going to replace them, that is the way you will reduce——

PRIVATE FUNDRAISING

Mr. **Kennedy**. That is right. Unless we can do that on the private roll side. I want to assure you we are breaking our backs to raise money for each of these essentially Federal functions by the private fund raising, all the way across-the-board.

Mr. **Murtha**. Are you having success?

Mr. **Kennedy**. Yes, sir, we are having considerable success. And we would be glad to give you a report on the private side as to what we are raising. I want to make this point, however, as vigorously as I can. This description I offer you of the condition of one national museum, which is typical, I am sure, of all the others, represents just the first round. If there are further rounds, there is no escaping reductions-in-force or furlough. If that occurs, we are going to force our good people out the door, even with furloughs, because they will be able to be hired elsewhere, and we will be impacted by civil service regulations which means our best people will go, irreplaceably, and the quality of service we offer to the public, both in research and in exhibits, is going to continue to deteriorate.

Mr. YATES. A grim picture.

Now, let's turn to Ms. Carr from the National Portrait Gallery.

MATHEW BRADY PHOTOGRAPH

Ms. CARR. Actually, I did not bring any object, per se, because they are both on exhibition at the moment.

However, I did bring two photographs to give you an idea of some of our important things.

Mr. YATES. Can you pass it forward? My glasses don't go that far. We need one of your telescopes.

Ms. CARR. The first photograph is actually a photograph of a daguerreotype we were able to purchase at auction. It is the only known portrait of the photographer Mathew Brady.

It shows Brady with his wife and her sister, Mrs. Handy. We were particularly pleased to have this. Not only is Brady a major 19th century photographer, but the Portrait Gallery has an extensive collection of his works.

THOMAS EAKINS PAINTING

The other portrait is of a man——

Mr. YATES. I recognize it. It is an Eakins. Go ahead.

Ms. CARR. The other is a portrait of Talcott Williams by Thomas Eakins, who, is a major 19th century painter. We are delighted to have it.

Mr. YATES. How did you get it? Did you buy it, or was it given to you?

Ms. CARR. There is a complicated statement as to how we acquired that. It is a donative purchase, which means that the owner of the item contributed a great deal toward the purchase price.

We also acquired $25,000 from the Smithson Society. We were able to add to it.

Mr. YATES. What is the total cost of the painting?

Ms. CARR. Well, the value was—the painting was appraised at $280,000, and the donor contributed approximately $130,000. We paid approximately $150,000. Twenty-five thousand came from the Smithson Society, and we used $125,000 in Federal funds.

GIFT APPRAISALS

Mr. YATES. Do you still get in trouble with IRS on your appraisals?

Ms. CARR. I hope not.

Mr. YATES. I hope not, too. But my question is based upon the experiences of the Smithsonian with the gem collection. You don't boost these in order to attract gifts? When I say you don't "boost" this, you don't boost the appraisal.

Ms. CARR. I understand exactly what you are saying. We have no relationship with the appraiser in the sense that the owner of the painting is one who is to acquire the appraisal.

What we know is the amount that we have to contribute toward the acquisition. We are, however, clearly aware of the appraisal.

ACQUISITIONS PROGRAM AT NATIONAL PORTRAIT GALLERY

Mr. **Yates**. Are you of a mood to buy other paintings or in the mood to obtain other acquisitions you know about and cannot acquire?

Ms. **Carr**. Well, let me give you an example. There are two things—one that came up we would have liked to have bid on, a painting by Peale of Edgar Benson, and we had only limited Federal funds, and the——

[**Committee note**.—The witness misspoke and should have said Gilbert Stuart instead of Peale.]

Mr. **Yates**. What was the cost of the Peale?

Ms. **Carr**. The painting went for $90,000. We were only able to bid $30,000.

We would like to bid on the David Rittenhouse coming up, and we do not have any Federal funds to do that.

Mr. **Yates**. Have you tried to find donors?

Ms. **Carr**. Yes. In all cases.

Mr. **Yates**. For this purpose?

Ms. **Carr**. Yes. Unfortunately, the timing of things is such that it makes it very difficult to do this.

Mr. **Yates**. This is one of those times?

Ms. **Carr**. Yes.

Mr. **Yates**. Could you find a donor if you could put up a part of the purchase price, as you did for the Eakins?

Ms. **Carr**. Well, it depends. In this particular case, the time between our knowledge of the painting and the time that it is going to be made available to the public makes that somewhat difficult.

I think in other circumstances, where it would be in a private collection, we would certainly look. But I think everyone agrees that acquiring——

Mr. **Yates**. What does everybody agree on?

Ms. **Carr**. I think the Secretary said that donors are not standing in line. That is, one has to go and look for them. They certainly are out there, but they are not always——

Mr. **Yates**. In other words, you don't have a pool of donors you could tap for each of these.

Ms. **Carr**. Precisely.

Mr. **Yates**. What is your acquisition fund? Do you draw your money for acquisitions out of the same fund Mr. Kennedy does? How do you do it?

Mr. Anderson wants to volunteer and answer.

Mr. **Anderson**. I might be able to clarify that a bit. Each of these museums has from this subcommittee and from the Congress, generally, a line item appropriation the committee has made available.

Within that there is an object class break down of types of expenditures: salaries, contracts, things of that sort. One of those is "purchases for the collection." So, it is controlled down——

Mr. **Yates**. The collection or collections?

Mr. **Anderson**. For the collection of the bureau in question.

Mr. Yates. This is a budget that is applicable to each of your museums?

Mr. Anderson. That is correct.

Mr. Yates. How do you reconcile that with what I thought your testimony was, that you have a pool out of which one year one of your museums may get a major——

Mr. Anderson. In addition to what the subcommittee and the rest of the Congress has been able to do with regard to acquisition funding for the Smithsonian, we have our own trust fund that we also make available to ourselves, if you will, through internal allotments, for the purpose of purchases.

Mr. Yates. Carolyn gets $363,000, doesn't she, this next year?

Mr. Anderson. Gramm-Rudman-Hollings notwithstanding.

Mr. Yates. Is this budget prepared with Gramm-Rudman in mind for 1987?

Mr. Anderson. It shows the reduced figures for 1986.

Mr. Yates. That is for 1986. What about 1987?

Mr. Anderson. It assumes Gramm-Rudman-Hollings will no longer be in place for fiscal year 1987.

Mr. Yates. Oh, my, what an optimist. So that Carolyn's $363,000 may well be reduced by as much as 10, 12, or 15 percent if Gramm-Rudman——

Mr. Anderson. Considerably more, sir, yes. It is one of the few areas, unfortunately, in the museum's budget where there is flexibility, the dollars in question are not encumbered by payroll expenses.

Mr. Yates. Carolyn, is there anything else you want to tell us?

Ms. Carr. No.

Mr. Yates. Is $363,000 enough for you?

Ms. Carr. I don't think any museum director would ever feel that an acquisitions budget is adequate.

Mr. Yates. That is the same as you had for 1986.

Ms. Carr. No, actually, it is less than that. We are working with $347,000, that is the amount we have to spend.

Mr. Yates. Why is that?

Ms. Carr. Because of the 4.3 percent cuts.

Mr. Yates. Would you like to expand on that?

Ms. Carr. I would like to very much. First, I will begin with the impact of the 4.3 cuts——

CONSERVATION EFFORTS AT AMERICAN HISTORY

Mr. Yates. I want to ask Mr. Kennedy one further question. What is the effect of Gramm-Rudman on conservation measures? You did touch on it. Would you lose control of your objects in any respect?

Mr. Kennedy. Yes, we will.

Mr. Yates. I don't mean inventory.

Mr. Kennedy. I understand.

One thing is what you do with your own staff, the folks you have in the house. Because that isn't a big staff, they tend to be fairly generalized, they do the best they can. But what you do when you have a particular problem requiring a particular skill that is beyond that that you can muster in your house, you send it out. Those are contracted services.

We will simply not be able to do that. Important items will, therefore, not be conserved and will slip. One year, okay. Two years not so okay. More years than that, important aspects of the American past will be lost to the future, and that process commenced this year.

BUDGET CUTS AT PORTRAIT GALLEY

Mr. **Yates**. Carolyn.

Ms. **Carr**. The first of the $155,000 that we were asked to take out of our other budget consists of $12,000 that we had allotted to the purchase of research photographs for the Catalog of American Portraits and for research travel in that department.

We also deferred replacement and conservation of photographic equipment; we reduced funding for the collections, which is the discrepancy between the $363,000 and the $343,000 that we anticipate spending. We deferred an exhibition that is related to the history of building; and we have reduced printing of public information. If you come and want a brochure about the Portrait Gallery, you will have to negotiate with the volunteer at the desk for the few that are remaining.

We have reduced purchases of office equipment; we have eliminated exterior banners and signs indicating the current exhibitions and images that focus on major items in our collection; and we have also reduced building support maintenance.

Mr. **Murtha**. In the long-term, when you cut out building support maintenance, isn't that counterproductive?

Ms. **Carr**. There is no question about that. And in Gramm-Rudman, we are talking about day-to-day kinds of things. There are also items that were denied us, larger in scope, by OMB. For instance, the tile in the Great Hall, a space which is used by not only the Portrait Gallery, but also by American Art and the Resident Associates Program. We had a request for $120,000 of maintenance to be done there, and that will not be done.

Mr. **Murtha**. It seems to me, even not keeping the place clean, some of the objects will deteriorate and you would have to at some point paint before you would normally. I don't know where else you could cut, but I hate to see maintenance cut back.

Ms. **Carr**. You can become a little shabby, and it no longer has appeal to the public.

Mr. **Murtha**. Not only that, in the long run you have to repair it, and it costs more.

CONSERVATION EFFORTS AT PORTRAIT GALLERY

Mr. **Yates**. What happens to your portraits? Are you able to conserve and preserve them?

Ms. **Carr**. We had requested in last year's budget another person for conservation. What not having that person does is, it slows down the process of maintaining and caring for our collections.

Mr. **Yates**. What is the process of conservation of your portraits? You have all of these 200 and 300-year old portraits. I assume that with the passage of time, they deteriorate unless, of course, the conditions in which they are shown are so perfect that that process doesn't take place.

Ms. **Carr**. It continues to happen, particularly when we acquire new works. They very often come from private collections, and there has been no maintenance of these objects for 200 or 300 years. We also have a backlog of items that have been in the collection that need to be lined, to have surface cleaning done, to be restretched, etc. They are just there, and sometimes not presentable to the public.

Mr. **Yates**. How many people do you have in your conservation department now?

Ms. **Carr**. We have one paintings conservator and one paper conservator in the whole collection.

Mr. **Yates**. How many objects do you have?

Ms. **Carr**. Altogether, we have over 15,000 objects in terms of paintings, sculptures, prints and photographs.

Mr. **Yates**. I take it, then, your one paper and one painting conservators are kept fairly busy.

Ms. **Carr**. Absolutely. They have an extensive backlog.

Mr. **Yates**. How do you keep on top of something like that? That is an enormous task. Is it your objects are in such perfect condition, you don't need conservation?

Ms. **Carr**. No. We have a whole list of things that need to be done and we would like to have done. What we have to do is prioritize those.

Mr. **Yates**. How many of them need to be done, and how many are placed on your priority list? I hate the word "prioritize".

Ms. **Carr**. I would like to come back with specific information on that. I think it is somewhere between 25 and 50 items that have very high priority.

[The information follows:]

CONSERVATION NEEDS

The National Portrait Gallery (NPG) acquires many things from private collections that have not been properly cared for. With limited staff, attention is given first to those items that are in immediate need of care to prevent further loss and deterioration. There are, however, many items in NPG's collection that have been stabilized, but still need additional conservation measures to make them exhibitable.

For instance, approximately 40 paintings, 50 drawings, an equal number of prints, and at least 20 sculptures could use conservation measures of one sort or another. Each year NPG acquires more than 100 original works of art that were the basis for Time magazine covers. Usually these works all need new housing and nearly 50% of them need additional treatment. In the photography collection, 36 daguerreotypes are tarnished and need cleaning. Also, facsimile quality preservation negatives should be made of more than 5,000 Mathew Brady photographs in the Meserve Collection.

Two conservators on the staff are responsible not only for treatment of works of art, but also must give condition reports on all works of art loaned from the gallery (Last year more than 300 objects were loaned to other museums.) They also spend a great deal of time giving advice to the design staff about the mounting and display of works of art on loan to the museum for temporary exhibitions.

Mr. **Yates**. I suppose you can't say it takes so long to do a conservation job on a painting. It all depends on the condition of the painting.

Ms. **Carr**. It very much depends on the condition of the painting. In fact, we look very carefully—one does not want to make judgments about what has come into the collection based on whether you can actually care for it or not, but that is a consideration.

Mr. **Murtha.** If the place gets dirty, don't your paintings get worse? If you cut back on cleaning the place, it seems everything will get worse and deteriorate to the point where you can't restore it.

Ms. **Carr.** Yes. Our system, in terms of heating and air conditioning, is antiquated, which means things do need to be surface treated.

CONSERVATION AT AMERICAN HISTORY

Mr. **Yates.** Roger, what is happening to your objects? I meant to ask you this question. How big of a conservation department do you have?

Mr. **Kennedy.** Five professionals, one unfilled paper conservation position which we can't fill. We have, as you know, a large collection. The numbers are not terribly useful in our case because we have 14 million postage stamps, but beyond postage stamps, there are 3.5 million objects to be conserved.

Mr. **Yates.** Is there a priority list you have?

Mr. **Kennedy.** Sure.

Mr. **Yates.** Is there such a thing as a critical priority list you have? Will you be sending them out for conservation because you don't have the ability to do it yourself?

Mr. **Kennedy.** We will not be able to send them out for conservation because we don't have money for the contracts.

Mr. **Yates.** This is the drive of this administration, too, to let private enterprise take care of it rather than have an in-house conservation.

Mr. **Kennedy.** That is wonderful if someone will write us a check to write the contracts with.

Mr. **Yates.** Where are you going to send them? Aren't you, in the Smithsonian, the place where objects are sent for conservation?

Mr. **Kennedy.** That is correct, Mr. Chairman. The fact of the matter is the Conservation Analytical Laboratory at the Smithsonian is the place where other people would send their stuff, and so, of course, would we. But the fact of the matter is that our materials are deteriorating, they are not being conserved. It will be vastly more expensive, and in some cases impossible to restore them in the future, and, therefore, we are in a situation where, not only are the buildings deteriorating, but so are the objects which are not only economic——

Mr. **Yates.** How many objects do you have on your priority list for conservation, and what are they like?

Mr. **Kennedy.** It doesn't—

Mr. **Yates.** You don't want to put that in the record.

Mr. **Kennedy.** Sure. But it doesn't break readily—there is a spectrum, obviously, of things that you would do if you had this much money, this much money or this much money. We can give you such a list of what is on our conservation list right now.

Mr. **Yates.** What I am trying to find out is, are any of your very fine objects in jeopardy? Will these be able to be passed on when you and I and Mr. Adams and everybody who is now trying to take care of them go? What condition will they be in when your successors come there? Will they be in such a condition as future generations will be able to enjoy them?

Mr. **Kennedy**. The answer to that is yes, they are in jeopardy, and as I suggested earlier, for two reasons. First, the customary conservation necessities, which will go unmet, and, secondly, because some of them are, so to speak, off limits for health reasons. There are two reasons they are deteriorating.

BUDGET CUTS AT PORTRAIT GALLERY

Mr. **Yates**. Thank you.

Do you have an asbestos problem?

Ms. **Carr**. No.

Mr. **Yates**. You are lucky then. Do you have any other problems you should tell us about? I don't mean personally.

Ms. **Carr**. I would like to also mention some of the other OMB cuts that are going to impact upon us. There has been a $3 million request for planning for the General Post Office Building, which has been denied. Also, we asked for $55,000 to be added to our base for automation, and we have only $20,000. This is very severe in the sense that it impacts on collections maintenance and it also impacts heavily on the kind of research we do.

Mr. **Yates**. It occurs to me, at long last, the Nation's museums are beginning to feel the strictures private museums have had for many, many years, and it shouldn't be. It shouldn't be. Is the day coming when you will have to charge admission?

Mr. **Adams**. Under the impact of Gramm-Rudman, that subject may need to come up.

Mr. **Yates**. Had you concluded?

Ms. **Carr**. No. That is why I am still standing.

Mr. **Yates**. I gathered that. There was kind of a hint there.

Ms. **Carr**. I would also like to indicate to you what further reductions would do if we were to take 10 percent of our budget on top of what has already happened. We would basically have to eliminate all exhibitions and publications that would occur next year.

Mr. **Yates**. All exhibitions?

Ms. **Carr**. Yes. All exhibitions.

Mr. **Yates**. Nothing for the public to see?

Mr. **Adams**. All new ones.

Ms. **Carr**. All new exhibitions.

Mr. **Yates**. OK. What you are saying is, you wouldn't have any new shows like the various——

Ms. **Carr**. Right. The Chester Harding, William Edward West shows, those kinds of shows. The exhibitions like those on General Grant would not occur, and will not under the reduction.

Mr. **Yates**. That museum is so beautiful now, the corridors and the hanging of the paintings. The layout is so beautiful, and I hate to think of it deteriorating, and it will, won't it?

Ms. **Carr**. Yes. We have a request to rehang the permanent collection to make it even more interesting and beautiful, and that has been denied.

Mr. **Yates**. Mr. Adams is tough on you, isn't he? I didn't hear your answer.

Ms. **Carr**. I did not respond.

RECENT ACQUISITION OF AMBER

Mr. **Adams**. Mr. Chairman, I suggest we turn to the Museum of Natural History. Mr. Tyler is here.

Mr. **Tyler**. Let me show some recent acquisitions. There are 5,000 pieces of amber from the Dominican Republic that are 24 million years old.

These are valuable because of the inclusions of plant and insects in the amber, and it gives you a snapshot of evolutionary time from 24 million years ago with plants and animals perfectly preserved, far more than you would get in paleontological stone.

Mr. **Yates**. Do they make these more valuable than if they had been clear?

Mr. **Tyler**. Yes. They would be worth about $100. With the inclusion of insects and plants, they are worth ten times that. They give you an idea what was happening 24 million years ago, with insects copulating, in some cases, or a female depositing eggs, or a flower spewing forth pollen.

Mr. **Yates**. How long ago?

Mr. **Tyler**. Twenty-four million years ago.

Mr. **Yates**. How do you know?

Mr. **Tyler**. They can be dated by the amber chemically. You know it is 24 million years very precisely.

Mr. **Yates**. You know flora and fauna from the period 24 million years ago?

Mr. **Tyler**. Yes. Particularly by the inclusion of pollen grains in the amber. The pollen can be dated very precisely.

Mr. **Yates**. Does that mean you know all the time periods dating before that, too?

Mr. **Tyler**. Yes.

Mr. **Yates**. Is that the last time layer you go, 25 million years ago?

Mr. **Tyler**. No, in the period of time it goes Oligocene, Miocene, Pliocene, Pleistocene, and then the recent.

Mr. **Yates**. You go back 25 million years in your findings?

Mr. **Tyler**. Closer to 2 billion years for finds of organic life.

Mr. **Yates**. Really?

Mr. **Tyler**. Yes.

Mr. **Yates**. That is impressive. You had better take these gems. Tell us—what else? This is fascinating.

INDIAN SKELETAL REMAINS

I have a question to ask you, though. What about giving your collection of Indian bones back to the Indians?

Mr. **Tyler**. I would certainly consider any legitimate request from a person who had a biological connection with the bones or is a representative in standing of a tribal group.

Mr. **Yates**. Of a tribal group. Will the tribes have difficulty in identifying the bones as belonging to ancestors in their tribe?

Mr. **Tyler**. Would they?

Mr. YATES. Do you know which tribes' bones you have?

Mr. TYLER. We have approximations of a tribe. It is oftentimes by the geographical locality. We know what state the bones came from and you sometimes suppose, therefore, what tribe of Indians the bones came from.

Mr. YATES. In other words, you would have the six nations up in New York, for example.

Mr. ADAMS. Part of the problem, Mr. Chairman, is that the process of white settlement was one that displaced Indians continuously westward, so that you are dealing with successive movements and resortings that were very complex and that continued over the entire period of relatively recent research, and to try to extend the pattern back into prehistory, in view of all that sorting and resorting that went on, is really very difficult.

So that making attributions at the level of the tribe becomes exceedingly complex.

Since you raised the issue, it is a matter to which the Smithsonian has given quite a lot of attention, both from a purely legal point of view and also from the point of view of the scientific importance of our collections of bones, and if this is the right moment, you might want to hear from David Challinor on the scientific end and Peter Powers on the legal end.

Mr. CHALLINOR. The scientific end is very important. To help explain, I have a press release I will show you that explains in greater detail——

Mr. YATES. We will put it in the record at this time.

[The information follows:]

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SMITHSONIAN NEWS SERVICE

February 1986

UNEARTHING ANCIENT DISEASES

By Madeleine Jacobs
Smithsonian News Service

Dead men don't tell tales, but as many an anthropologist will tell you, skeletons can speak volumes.

Consider, for example, the skeletal remains of a man excavated in 1983 at an archaeological dig in Bahrain. Although no written accounts exist of his life 4,000 years ago, archaeologists relate this story:

The 5-foot-6-inch-tall, powerfully built man was in his 40s or 50s when he died, a ripe old age by antiquity's standards. For most of these years, he lived elsewhere, perhaps in south Asia—possibly India—or Iran, where the water supplies are unusually high in naturally occurring fluorine.

His fused spine and mottled brown teeth, typical of an uncommon disease caused by excessive fluorine in the diet, were the tell-tale clues to this man's past. Since the other skeletons excavated thus far at the Bahrain site show no evidence of this disease, scientists conclude that the man probably migrated to Bahrain, then as now a busy trading center in the Persian Gulf.

For decades, archaeologists have been using the bare bones of history to glean information about the lifestyles of our distant ancestors. Now, a growing specialty in anthropology—a 150-year-old field known as "paleopathology"—is unearthing new insights about the origins and patterns of disease over a span of thousands of years.

To physical anthropologists like Dr. Donald J. Ortner of the Smithsonian's National Museum of Natural History, the renewed emphasis on paleopathology—the study of ancient disease processes, with emphasis on skeletal remains—is overdue.

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"I'm interested in the big question of how humans adapt," Ortner says, "and different disease conditions reflect both biological and cultural components of the past." Infectious disease, for example, increases with urbanization. Other diseases, such as lung cancer and heart disease, reflect changes in the environment, diet and lifestyles.

Disease can also have dramatic consequences for entire civilizations. In America in the 18th century, smallpox wiped out entire Indian tribes. "In 1918, at least 21 million people worldwide died from influenza," Ortner notes. "In the more distant past, plague and epidemics decimated major cities. Thus, the role of disease in human adaptation is one of the most important problems in the study of our biological history."

Ortner's key to unlocking the secrets of the skeleton is the Smithsonian's incomparable collection of carefully cataloged skulls and bones. This, the world's largest such collection, contains more than 35,000 skeletons. They represent nearly every geographic area of the world; some date back 5,000 years, to the early development of cities.

As a source of information on ancient disease, skeletal remains are both "tantalizing and frustrating," Ortner explains. "The bad news is that most diseases that kill large numbers of people don't affect the skeleton. Influenza, smallpox, heart disease, lung cancer, the dramatic things--these very rarely affect the skeleton. The diseases that affect about 10 percent of archaeological skeletons are relatively chronic illnesses.

"The good news is that among diseases that do affect the skeleton, there are some very important illnesses--for example, arthritis, certain types of cancer, tuberculosis, syphilis. In fact, virtually all diseases found in modern bones are also seen in ancient bones." Best of all, compared to other archaeological evidence that could give clues about disease patterns, skeletal remains are relatively abundant.

At the very least, a well-documented skeleton should reveal to a skilled physical anthropologist the person's age, race and sex. Then, Ortner says, comes the tricky part: figuring out what is disease and what is normal.

After years of studying normal and pathological skeletons, Ortner and a long-time colleague, Dr. Walter G. J. Putschar, a consultant pathologist with the Massachusetts General Hospital in Boston, put their findings together in a 480-page volume, described by some anthropologists as the "bible" of paleopathology.

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Diseases manifest themselves in the bones in one of several ways—by a build up or destruction of bone tissue or both. In addition, bone tissue may appear normal but have abnormal shape or contour. Various disease processes often preferentially affect groups of bones, specific bones and specific locations in bones.

For example, when it affects the skeleton, tuberculosis most often shows up in the form of destroyed vertebrae, the bones of the spinal column. Syphilis affects parts of the skeleton with less soft tissue, giving the top of the skull a worm-eaten look and disfiguring the shinbone and the ulna (the larger of the two bones of the forearm).

Several diseases appear to affect the skeleton in similar ways, however, and it is often difficult to make a firm diagnosis solely on the basis of the bones. One advantage the paleopathologist often has over a pathologist who deals with living people is access to an entire skeleton. The total skeleton can provide valuable information in making a diagnosis and a broader understanding of the range of expression of skeletal diseases in untreated cases. Ortner uses visual inspection and X-rays of the bones, as well as chemical and microscopic analysis where appropriate, to come up with a diagnosis.

There are more than a few mysteries to keep things interesting for Ortner and Putschar, who are now investigating 500 of the most unusual pathological skeletons in the Smithsonian's collection. The three-year study is funded by the National Institute of Arthritis, Diabetes and Digestive and Kidney Diseases.

For starters, there are the five baffling cases from Alaska, dated around 1750. The skeletons show a pattern of lesions that does not resemble any condition except a fungal disease. "But this kind of infection among modern Eskimos is almost unheard of," Ortner says. "We don't know the answer, but perhaps these individuals had weakened immune systems from another disease that led to a rare, opportunistic infection by fungi."

Piecing together the past also leads to present controversies. One of the longest and most intense debates in the medical profession centers on the origins of syphilis. Some historians of medicine argue that the disease was introduced into the New World by Columbus and his crew. Another school contends that syphilis existed in the New World before Columbus arrived and was introduced into the Old World by Columbus' band on their return. A third view holds that the disease existed in both the Old and New Worlds.

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Enter paleopathology into the debate. Several years ago, Ortner assisted in an excavation of an adult skeleton near Dulles Airport in Northern Virginia. The skeleton showed definite signs of syphilis and was dated to around 1100 or 1150. Though the questions about syphilis are far from settled, Ortner says, "this skeleton is one of the best pieces of evidence so far that syphilis was in the New World before Columbus."

Tuberculosis, another disease often associated with urban life, apparently also had its origins in ancient times. In 1977, Ortner participated in the excavation of a 5,000-year-old fortified town, Bab edh-Dhra, in Jordan near the Dead Sea. In one tomb, the skull of a 7-year-old child and an 18-year-old man provided evidence of tuberculosis, two of the earliest cases of this disease on record.

Far from being academic, such cases have meaning to today's clinicians, says Dr. Bruce Ragsdale, a pathologist at Georgetown University Medical Center in Washington, D.C., and a Smithsonian research associate who has worked with Ortner and Putschar. "Most pathologists today are content if they can assign a name to a pathological specimen. To the paleopathologist, that's just the beginning. The really interesting questions are: Where did these diseases come from, how have they changed over time, how do various diseases relate to each other, which are old, which are new, do some no longer exist?"

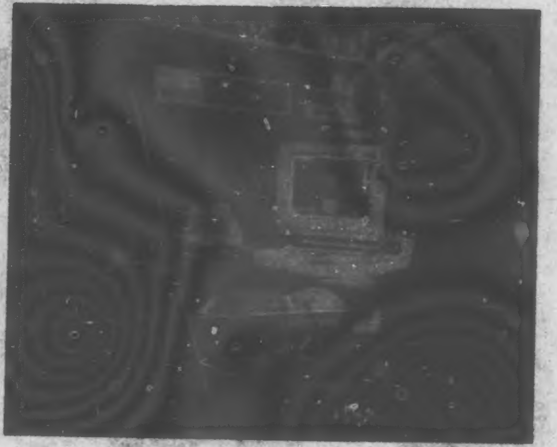
The origins of rheumatoid arthritis, a debilitating disease that afflicts an estimated 7 million American adults, is one of the conditions of interest to clinicians. Some researchers believe that the disorder is relatively new, arriving on the scene around 1700 as the result of a virus that mutated from another virus. However, Ortner has studied a skeleton of a 35-year-old Alaskan woman who lived around 1200 that shows indications of rheumatoid arthritis (though it could also be one of several diseases that resembles this type of arthritis). Additional cases from antiquity could help resolve the evolutionary history of this crippling illness.

Says Ragsdale, who specializes in skeletal diseases: "Those in modern medicine who are interested in diseases of the kidneys, liver and lungs are out of luck because such specimens have only been collected systematically for 150 years or so. But the bones are there, right back to the beginning of humanity. Mapping diseases over time can tell us about the challenges humanity faced in the past and what we may face in the future."

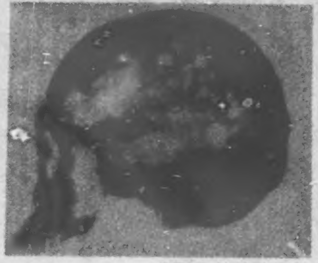
# # # #

Smithsonian News Service Photo by Dane A. Penland

Dead men don't tell tales, but skeletons can speak volumes. From the bare bones of history unearthed at archaeological sites around the world, physical anthropologists like Dr. Donald J. Ortner, of the Smithsonian's National Museum of Natural History in Washington, D.C., can reconstruct much about lifestyles of ancient humans. Spread before Ortner are bones, selected from the Smithsonian's collections, which show evidence of disease processes.

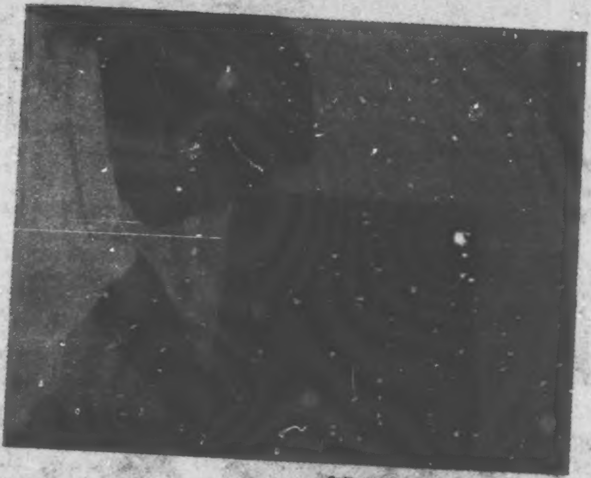


Smithsonian News Service Photo
by Dane A. Penland



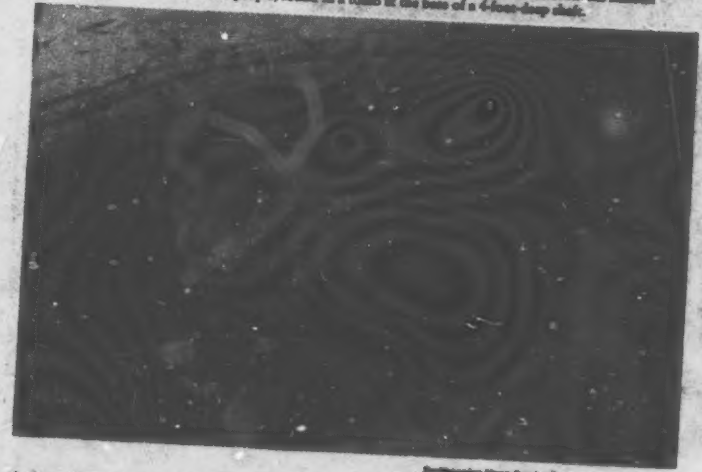
Smithsonian News Service Photo
courtesy of Donald J. Ortner

Information on selected disease patterns in ancient specimens in the Smithsonian's extensive skeletal collections is being computerized by Dr. Donald J. Ortner and his research assistant, Janet Beck, in a project funded by the National Institutes of Health. Ortner holds a skull from Gabon, Africa, that shows signs of chronic infection. The X-ray of a Peruvian Indian skull in the photo at left reveals numerous lesions from metastatic cancer.



Smithsonian News Service Photo by Kjell Sandved

In 1977, anthropologists continued excavation of a 5,000-year-old fortified town, Bab edh-Dhra, in Jordan. A number of the bones found in the burial tombs showed signs of various disease processes. Here, Smithsonian anthropologist Donald J. Ortner examines the skeletal remains of at least four people, found in a tomb at the base of a 4-foot-deep shaft.



Smithsonian News Service Photo by Donald J. Ortner

Anthropologists found a mixture of skeletons and pottery in this 5,000-year-old tomb at Bab edh-Dhra in Jordan. One of the skulls, that of a 7-year-old child, showed possible evidence of tuberculosis.

SKELETAL RESEARCH

Mr. CHALLINOR. The scientific evidence that these remains can show us a great deal about spread of diseases, the diets of people, and whether certain diseases originated in the New World or the Old World. This has been a source of confusion for many years.

As a result of these investigations, we have learned many answers which are spelled out in that press release.

Mr. YATES. But has your research on the bones, valuable as it is, been concluded?

Mr. CHALLINOR. No. Research would go on as long as we have the collections and as long as we improve the techniques of analysis, so that the collections we now have are, in effect, a giant bank from which we can draw further and further information as the techniques develop to analyze them more accurately.

Mr. ADAMS. Mr. Chairman, only in the last few years have there been major advances in the analysis of bone protein that make it possible to identify dietary factors in prehistoric skeletal material, to distinguish between different patterns of diet, and so on.

That is simply indicative of the fact this is a moving front of scientific research where possibilities are still expanding as to what can be done.

LEGAL CLAIM TO SKELETAL REMAINS

Mr. YATES. Okay. Judge Powers, do you want to tell us what the legal ramifications are?

Mr. POWERS. Mr. Chairman, the legal situation is superficially very simple. The Institution, as you recall, is a trust, and it holds all of its collections in trust for not only the American public, but the people of the world, so it is not free to simply dispose of an item without a valid legal claim to it.

It is not a new question. Over the years, we have had a number of requests for the return of material, and we simply have to have the evidence, not only that the claimant is the right person and has a claim or title to the object, but we have to look through our records to see how we acquired it and so forth.

So, each case is considered on its own merits, but the basic principles are fairly simple. They have to show a good claim.

Mr. YATES. I respect your reply, and I can understand why it is essential that you know the validity of the claim before you return your object.

I would assume that Miss Harjo and the other young lady who came to see me must recognize that. I assume the National Congress of American Indians speaks generally for the Indian people, and not specifically enough to validate claims. But that is something that they will have to do.

But they do ask this. They want to have a meeting. In their letter to me, which I will put into the record, a letter dated March 17, they do ask for a meeting with Mr. Adams regarding development of the Smithsonian policy to return human remains to tribes and regarding their practice of public display of Indian remains.

I didn't know you put these on display. "We feel the Smithsonian should sponsor this meeting and pay people's expenses for such a meeting."

I don't know how many people are involved, but I assume that you would be glad to talk to Ms. Harjo.

Mr. Adams. Certainly.

[The information follows:]

OFFSET
CAMERA COPY

NATIONAL CONGRESS OF AMERICAN INDIANS
Est. 1944

EXECUTIVE DIRECTOR
Suzan Shown Harjo
Cheyenne & Creek Nations

EXECUTIVE COMMITTEE

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Reuben A. Snake, Jr
Winnebago Tribe

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Kiowa Tribe

BILLINGS AREA
Burnett L. Whiteplume
Northern Arapahoe Tribe

JUNEAU AREA
Eric Morrison
Tlingit

MINNEAPOLIS AREA
Hillary Waukau
Menominee Tribe

MUSKOGEE AREA
Pamela Iron
Cherokee Nation

NORTHEASTERN AREA
Rovena Abrams
Seneca Nation

PHOENIX AREA
Thomas R. White
Gila River Indian Community

PORTLAND AREA
Allen V. Pinkham, Jr
Nez Perce Tribe

SACRAMENTO AREA
Dana Turner
Rincon Band of Luiseno

SOUTHEASTERN AREA
Billy Cypress
Miccosukee Tribe

TO: REPRESENTATIVE SIDNEY YATES DATE: MARCH 17, 1986

FROM: SUZAN SHOWN HARJO, EXECUTIVE DIRECTOR

RE: SMITHSONIAN COLLECTION OF AMERICAN INDIAN HUMAN REMAIN

The Smithsonian Institution has the skeletal remains of 14,000 American Indians, plus an unknown number from Alaska. The total human remains collection is 32,000, with many of them being Indian remains from Canada, Mexico, Central and South America. The remains are stored in the Natural History Museum. Furthermore, the Smithsonian has on display on the second floor of the Natural History Museum several hundred Indian skeletons. Most other Museums at least have the sensitivity to not display human remains, especially Indian remains.

NCAI and other organizations requested in a July 22, 1985 letter to Smithsonian Secretary Robert McC. Adams a meeting with him regarding the Smithsonian's collection of human remains and the possible return of those remains. We were told that there was no purpose in meeting with the Secretary until further work was done on the inventory of human remains, and until we had further defined our questions.

We subsequently met twice with the Acting Director of the Natural History Museum, and one of those meetings included the Chairman of the Museum's Anthropology Department. We also met separately with the Museum's Chief Curator. None of these meetings resulted in any concrete progress, except for the development of a state-by-state listing of Indian human remains.

At the Smithsonian's request NCAI presented a detailed list of questions regarding the human remains inventory on September 11, 1985. None of our questions have been answered with the exception a state-by-state listing of remains. The Smithsonian has given no indication that they are attempting to research and answer our questions contained in our September 11 letter.

We requested again, by telephone, a meeting with Secretary McC. Adams in December 1985 and February 1986. The meeting requests were timed to coincide with the presence in Washington of Indian people who wanted to meet with the Secretary. We were told that there is nothing to discuss at this time, and were told that internal discussions

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Cheyenne & Creek Nations
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Eric Morrison
Tlingit
MINNEAPOLIS AREA
Hillary Waukau
Menominee Tribe
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Pamela Iron
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Seneca Nation
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SOUTHEASTERN AREA
Billy Cypress
Miccosukee Tribe

are taking place. We have no information about those discussions.

We request that you:

1) Facilitate a meeting between Secretary McC. Adams, NCAI and Indian people from around the country regarding development of a Smithonian policy to return human remains to tribes and regarding their practice of public display of Indian remains. We feel the Smithsonian should sponsor this meeting and pay people's expenses for such a meeting.

2) Request the Smithsonian to answer the questions in our September 11, 1985 letter regarding their collection of human remains.

3) Question the Smithsonian regarding their policy of maintaining a collection of American Indian skeletons and the expenditure of money to maintain this collection.

4) Communicate with the Advisory Council on Historic Preservation regarding the Smithsonian. The Advisory Council has a balanced view and could possibly serve as a mediator with the Smithsonian.

Attachments

1) NCAI letters of July 22, 1985 and September 11, 1985 to the Smithsonian.

2) Four articles regarding the Smithsonian's human remains collection.

3) Smithsonian letter to tribal representatives (chairmen of federally recognized tribes) and a state-by-state listing of Indian human remains.

4) Four papers delivered at the American Anthropological Association meeting in Washington, D.C. in December 1985 regarding reburial of Indian skeletal remains, including one paper specific to museum issues.

Mr. **Yates**. "We also request the Smithsonian to answer the questions in our September 11, 1985 letter regarding their policy on human remains." Has that been answered?

Mr. **Adams**. I believe we have answered all our correspondence.

Mr. **Anderson**. That is my understanding, Mr. Secretary.

Mr. **Yates**. They say this:

> At the Smithsonian's request, NCAI presented a detailed list of questions regarding the human remains inventory. None of our questions have been answered. With the exception of a state-by-state listing of remains, the Smithsonian has given no indication they are attempting to research and answer our questions contained in our September 11 letter.

Would the director know about this?

Mr. **Adams**. I certainly recall seeing a copy of the letter that was sent by the chairman of the anthropology department in response to that.

Now, the answers may not have satisfied them. There are some 14,000 Indian remains in the Smithsonian collections. So, that is not something to which one can supply an instant reply——

Mr. **Yates**. Here is the letter of September 11. We will put it into the record.

[The information follows:]

NATIONAL CONGRESS OF AMERICAN INDIANS
Est 1944

September 11, 1985

EXECUTIVE DIRECTOR
Susan Shown Harjo
Cheyenne & Creek
EXECUTIVE COMMITTEE
PRESIDENT
Joe De La Cruz
Quinault Nation
FIRST VICE PRESIDENT
Eddie Tullis
Poarch Band of Creeks
RECORDING SECRETARY
Diane Kelley
Cherokee of Oklahoma
TREASURER
Keith Jewett
Cheyenne River Sioux
AREA VICE PRESIDENTS
ABERDEEN AREA
Morgan Garreau
Cheyenne River Sioux
ALBUQUERQUE AREA
[illegible]
Zia Pueblo
ANADARKO AREA
Newton Lamar
Wichita Tribe
BILLINGS AREA
James Steele
Salish Kootenai Tribes
JUNEAU AREA
John Hope
Tlingit & Haida
MINNEAPOLIS AREA
[illegible]
[illegible]
MUSKOGEE AREA
Harry F. [illegible]
Quapaw
NORTHEASTERN AREA
Rowena Abrams
Seneca Nation
PHOENIX AREA
Thomas R. White
Gila River
PORTLAND AREA
Delbert Frank
Warm Springs
SACRAMENTO AREA
Dena Turner
Rincon Band of Luiseno
SOUTHEASTERN AREA
A. Bruce Jones
Lumbee

Dr. James Tyler, Acting Director
Museum of Natural History
Room 421
10th & Constitution Avenue, NW
Washington, D.C. 20560

Dear Dr. Tyler:

Thank you for your letter of August 29th regarding the Smithsonian's inventory of North American human remains. In response to that letter and to our telephone conversation of September 10th, below is a more detailed description of what we hope to get from the Smithsonian inventory of human remains:

1) a listing of any human remains identified by tribe

2) a listing by state of human remains

3) within the state listings, a general geographic location, i.e., South Dakota, Pine Ridge Reservation or Shannon County

4) date or approximate date remains were unearthed

5) approximate age of human remains

6) number of North American human remains with no tribal or state identification

7) storage location of above remains (i.e, Smithsonian Institution, Washington, D.C.; Peabody Museum, Harvard University)

8) number of human remains, by country, from Central and South America

9) If the North American listings above do not contain remains from Canada and Mexico, we wish the number from those countries also

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When we say "number of human remains" we mean the number of people represented.

It was not clear from your letter whether the Smithsonian inventory includes only those remains physically stored in the Smithsonian in Washington, D.C. or if it also includes remains the Smithsonian may have transferred to other locations, i.e., the Hemenway collection which has been transferred to the Peabody Museum at Harvard University. This transfer was mentioned in the Smithsonian 1981 book entitled Savages and Scientists, the Smithsonian Institution and the Development of American Anthropology, 1846-1910.

I would like to meet as soon as possible with yourself again and appropriate Smithsonian curators to look over and discuss the computer printout of your inventory of human remains. I will likely bring one or two people with me, but do not know at this time who that would be -- it depends on who is able to be in Washington at the time of the meeting. We may have additional requests for information following a meeting with yourself and Smithsonian curators, as we will then have a better idea of the type of information the Smithsonian has regarding the human remains in its possession.

Please note that this letter is part of the process which we expect to lead to a meeting with Secretary Adams, and as such is on behalf of the invididuals and organizations who sent the July 22, 1985 letter to Secretary Adams. I have previously sent you a copy of that letter.

We very much appreciate your prompt responses to our inquiries, Dr. Tyler, and the seriousness with which you take our views. I look forward to hearing from you soon.

Sincerely,

Karen Funk

Karen Funk

Mr. **Yates**. If you can't answer the questions, why don't you just tell them you can't answer the questions? Maybe that will help. That is the letter. I don't know whether that was replied to.

There was a reply here dated November 22, signed by Ms. Kaeppler. Ms. Adrienne Kaeppler, Chairman of the Department of Anthropology.

And this may go into the record as a reply to that letter.

[The information follows:]

National Museum of Natural History · Smithsonian Institution
WASHINGTON, D.C. 20560 · TEL. 202-

November 22, 1985

Dear Tribal Representative:

Several years ago the Smithsonian Institution initiated an inventory of its collections, the first such systematic effort in its 140 year history. Teams of people were hired to examine objects in our collections and enter important data about them into computers. The effort is still going on, but at this time we do have some summary statistics on the size and composition of our collections that we wish to share with tribal governments. As you probably know, our holdings are especially strong in the area of American Indian archeology, ethnology and physical anthropology, reflecting a long-standing popular and scientific interest in aboriginal American cultural and biological history.

Our North American physical anthropology collections contain a large number of human skeletons, recovered during the past 100 years or so from archeological sites by Smithsonian scientists or by other archeologists and then transferred to us for curation. These "skeletons" vary from single bones and mixed lots of bones to complete skeletons. In some cases we do not know their archeological age, but we do know that most of the skeletons are hundreds or even thousands of years old. Because of their great antiquity, they are regarded by our museum and the scientific community as being of great scientific value. With careful study, these ancient remains offer valuable scientific data on diet, growth, disease, demography, population relationships and other aspects of human biology, as well as on cultural practices that may affect the skeleton and such cultural factors as social status, and mortuary practice. These remains are thus a continuing source of unique information on the historic and prehistoric heritage of Indian people and their ancestors and much knowledge about American Indians has been generated from them.

According to our inventory, we have about 32,890 catalog entries for human remains. Almost 19,000 of this total were recovered from Europe, Africa, Asia, Australia and Latin America. All major racial groups are represented. The remaining 14,000 represent ancient American Indians from the contiguous United States. Since the vast majority of these skeletons are so old, it is not possible in most cases to establish their historical/cultural relationship with present day or historic tribes. For your information, a computer printout is enclosed showing the number of

American Indian skeletons in our collections for each state. In consideration of much of the recent interest in American Indian skeletal remains, we want you to know that we have these collections and that they are always curated and treated with great respect. They are kept in non-public areas in wooden drawers with covers. Access is limited to qualified scientists for research purposes only, but only under careful staff supervision.

These collections are studied continually by visiting scientists from major museums, universities and medical schools throughout the world. Much information gleaned from this research has been published in major books and journals and has contributed greatly to our understanding of the history of disease in North American and especially the health and biological history of the American Indians, both before and after Europeans arrived. Some of this research has particular relevance to medical problems that trouble American Indians today such as the high incidence of rheumatoid arthritis and tuberculosis. Knowledge gained from the study of American Indian skeletons also contributes to the science of forensic anthropology and is used to identify Indian victims of crime and missing persons. The continual development of new research techniques has shown us the value of maintaining these collections for future research. We know that as research methods and technology improve, future scientists will be able to acquire new information from these remains and answer questions about American Indian history that are important to us all. Having these remains in a single collection in one place greatly facilitates their proper scientific and medical study by specialists and assures that they will remain a source of information on Indian history and heritage.

We understand that while many Indian people appreciate the value of the information learned from scientific research and welcome the careful curation we provide for the physical anthropology collections, others have mixed feelings. In either case, we want you to know that these collections we have are of great value to the international scientific community, they have benefited American Indians today, and that we treat them with great respect.

Occasionally we have requests for this type of information by Native American groups and hope this letter and the attached summary statistics will answer any questions you may have about the Smithsonian's collections.

Sincerely,

Adrienne L. Kaeppler

Adrienne L. Kaeppler
Chairman
Department of Anthropology

Encl.

Mr. **Yates**. What is the date on that letter?

Mr. **Adams**. There has been a further letter and response since that time.

Mr. **Yates**. Supply them for the record so the record may be complete.

[The information follows:]

The University of Iowa
Iowa City, Iowa 52242

Office of the State Archaeologist
Eastlawn

(319) 353-5175, 353-5177

1847

January 13, 1986

Dr. Douglas Ubelaker
Department of Anthropology
National Museum of Man
Smithsonian Institution
Washington, D.C. 20360

Dear Doug:

At the American Anthropological Association meetings in Washington, D.C. last month a representative of the National Congress of American Indians (NCAI) informed Maria Pearson, the chairman of our Iowa Indian Advisory Committee, that the skeletal remains of 21 Native Americans from Iowa are reposited in the research collections being maintained by the Smithsonian Institution.

In the interim, Maria Pearson (Running Moccasins), has been in touch with other Indians in the state and has sent a formal request to me (attached) in which she asked for my assistance in obtaining return of the remains for reinterment in Iowa under the supervision of appropriate Native American religious leaders.

With this in mind I am writing to inquire into the matter. I would like to know (1) if Iowa materials are indeed present in the Smithsonian collections; (2) the provenience(s) and condition of the materials; (3) if a report has been prepared/published on any or all of the material; and (5) if your institution would be willing to return the materials for reburial in one of our cemeteries that have been established for that purpose.

As you may know we have been working closely with the Indians for over a decade and have managed to develop an atmosphere of mutual confidence and respect which has not only helped resolve difficulties over reburial, but has led to cooperation on many other fronts (see attached article).

If remains from Iowa are present in the Smithsonian collections I would like very much to obtain them. If they have not been adequately studied and reported upon, we would do so prior to reburial.

Thank you for your consideration; I will look forward to hearing from you.

Sincerely,

Duane C. Anderson

Duane C. Anderson
State Archaeologist

DCA:bh
cc:Indian Advisory Committee
encl.

SMITHSONIAN INSTITUTION
Washington, D.C. 20560
U.S.A.

February 26, 1986

Mr. Duane C. Anderson
State Archaeologist
Eastlawn
The University of Iowa
Iowa City, Iowa 5242

Dear Duane:

This letter is in response to your letter dated January 13, 1986, in which you requested information on, and the return of, remains from Iowa that are present in the Smithsonian collections. You submitted that request at the behest of Maria Pearson, Chairman of the Iowa Indian Advisory Committee, who was informed through the National Congress of American Indians that the Smithsonian has 21 skeletal remains from Iowa.

The Smithsonian does, indeed, have 21 catalogued specimens in our collections from the State of Iowa which represent various elements of the human skeleton. This information, as well as the number of skeletal remains in our collections from every state in the United States, was provided to recognized tribal representatives by letter from the Chairman of the Smithsonian's Department of Anthropology on November 22, 1985.

Since that letter, further review of our records has been conducted, such that we now are in a position to address your other inquiries. With respect to provenience, these 21 remains appear to have been archaeologically recovered and represent prehistoric American Indians. According to our records, none of the specimens represent complete skeletons and all were added to the museum collections between the years 1898 and 1940. Nineteen of the specimens were given to our museum by the Army Medical Museum, with little associated information on provenience. The remaining two items consist of skulls and mandibles only. They apparently were collected by a Mr. H. O. Draw near Council Bluffs, and given to the Smithsonian in 1918 through Professor J. S. Foote.

As to their condition, the specimens are not on public display and are made available only to qualified persons who utilize nondestructive techniques. Of course, you or qualified staff are welcome to study the materials here, but our policy is not to allow material of this nature to leave the Smithsonian's premises.

Responding to your third inquiry, I know of no formal reports on this material, but suspect that it may have been included as part of larger studies.

Finally, let me address your request that you obtain the remains from Iowa for reburial in an Iowa cemtery. Specific requests for the transfer of materials in the Smithsonain's collections must be considered in light of the Institution's responsibilities to hold its collections in trust for the benefit of all people, not just discrete interest groups. In light of this trust relationship, the Smithsonian is not free to dispose of collection material without compelling legal reasons. Factors to be considered on a case by case basis would include the records of the Smithsonian's title to the materials, the detailed history and significance of the materials, the standing of the claimant to assert an ownership interest in the materials, and the precise justification for the requested disposition. Generalized requests that lack a legally demonstrable claim to the material cannot be acceded to without compromising the rights of others, which we are duty bound to protect under the Smithsonian's trust obligations.

Bearing in mind these concerns, we do not believe at this time that the information presented in your recent letter is sufficient to justify the transfer to you of the skeletal remains from Iowa. We are always open to further discussion, however, should an appropriate tribal representative seek to provide an adequate legal basis for the requested transfer.

Sincerely,

Douglas H. Ubelaker
Curator

Mr. **Adams**. If you look at that, Mr. Chairman, I think you can see, with a collection assembled over a period of 120 or 130 years, that is not something to which——

Mr. **Yates**. You can answer in a week.

Mr. **Adams**. Yes.

Mr. **Yates**. OK.

Third question she asked, "Question the Smithsonian regarding their policy of maintaining a collection of American Indian skeletons and the expenditure of money to maintain this collection."

I am not sure I understand that, except that you have stated what your policy is; it is one for research.

Mr. **Adams**. That is right.

Mr. **Yates**. And that the research is valuable. I assume that if there is a time in the future when your research is terminated for one reason or another, you can return the bones to a properly accredited representative.

Mr. **Adams**. It is not clear how this will happen. There may, indeed, ultimately need to be some form of legislative action in order to justify that kind of return since in the case of so many of these skeletons we cannot make a tribal attribution. We would not know who was a properly accredited representative.

I think this may call for something beyond an internal Smithsonian policy in order to be appropriately handled.

Mr. **Yates**. All right.

The fourth request is to communicate—for us to communicate with the Advisory Council on Historic Preservation regarding the Smithsonian.

They have a balanced view and could possibly serve as a mediator. Apparently, these people aren't happy with you. But that is something you have to live with.

Unfortunately, all people aren't happy with you, are they?

Mr. **Adams**. I am afraid that is so.

ACQUISITIONS PROGRAM AT NATURAL HISTORY

Mr. **Yates**. That is life.

Now, have I asked you about your acquisitions and whether you have enough money?

Mr. **Tyler**. We have Federal funds—the amber I showed you was purchased with $115,000 from the central trust funds of the Smithsonian Institution.

Mr. **Yates**. Those three pieces were one——

Mr. **Tyler**. There were 5,000 such pieces, the best of the lot. There were 5,000 such pieces. That is a partial donation. They were donated at below market value.

Mr. **Yates**. Do you have anything pending you want to acquire you can't because of lack of funds?

Mr. **Tyler**. There are a great many orphan collections of a systematic nature of plants, animals and insects that we could purchase that would greatly strengthen our national collections we do not purchase because of lack of funds.

BUDGET CUTS AT NATURAL HISTORY

Mr. **Yates**. I suppose while I have got all of you here, I should have asked Mr. Kennedy, and Ms. Carr from the National Portrait Gallery what else I shoudd know about the operation of your Gallery, what is lacking that you should be doing, and how friendly is Mr. Adams in giving you money to carry out your purposes?

Are there things you should be doing that I should know about, that the committee should know about, that you can't do for lack of funds or for other reasons?

Is everything fine with the Museum of Natural History?

Mr. **Tyler**. No, sir. I can assure you it is not.

Mr. **Yates**. Tell us wherein it is not.

Mr. **Tyler**. The Gramm-Rudman-Hollings cut in fiscal year 1986 of 4.3 percent has seriously hampered our operations.

Mr. **Yates**. In what respect?

Mr. **Tyler**. It has caused a hiring freeze for all positions, a total freeze, which affected 36 positions as of January 17. Included in those 36 positions were five hires for assistant or associate curators to replace curators who had retired.

Those were frozen. And it has affected the operation of the departments of anthropology, biology and paleontology.

Mr. **Yates**. How do you make up for that gap? You have acting curators?

Mr. **Tyler**. No, sir, there is research that will not be done until those people are replaced.

Mr. **Yates**. Give us an example of what will not be done.

Mr. **Tyler**. In paleontology, the person will not be studying our diatom collection, both the diatom alive today and those of the fossil record, which is one way we date pieces of such things as the amber you have seen.

This is a case in which we have no curator present and no hopes of replacing that curator until such time as we have the cuts restored.

Mr. **Yates**. As there always is, we have underground messages that come to us. We have one here on the National Museum of Natural History. They said the situation at the National Museum of Natural History is that research production is nearly the only factor assessed when a curator's performance is judged.

There is very little importance placed on curation and the more public-oriented activities of which exhibits is the most significant for this reason.

The majority of the curators in this museum are not in any way active in collection building and have little to do with exhibition.

In fact, it is common for a scientist at this museum to totally eschew any involvement, any activity except for his or her own personal research.

Would you like to comment on that?

Mr. **Tyler**. I would beg to differ with that, quite respectfully. Curators want to be involved in exhibits and education——

Mr. **Yates**. At such times as you have curators?

Mr. **Tyler**. Yes, sir. We still have about 120 curators on the staff, but we are down at least six. The curators are very much encouraged to be involved in exhibits and educational programs.

Moreover, in their professional accomplishment evaluation committees, which is the basis for their promotions, there are two series of activities that are very closely looked at on the basis of OPM regulations as we have interpreted them.

One is the research series in which quality publications are very important. The other series of activities are their collections of curation and exhibit work.

Both of those factors are taken into account legally and must be by the Smithsonian in promotion of curators.

Mr. YATES. Well, we draw a conclusion. One obvious conclusion from this is that things are not what they ought to be at the National Museum of Natural History.

One assumes the public, and Congress as an instrument of the public, believes it is getting something altogether different for its tax dollars than what it is actually getting.

The taxpayer sees only the public side of the museum, and this is probably all the taxpayer really cares about.

The taxpayer does not know that most of the scientists in the museum have little or no involvement in the more traditional museum functions, but care almost exclusively for their research.

One of the unfortunate results is that the exhibits have been much less than they could have been or should have been.

When so much emphasis is placed upon research, it is easy to understand why the scientists do not care to be involved in exhibition and why it is so hard to get them involved, and why, at times, it is necessary to offer special rewards and bonuses in order to get them involved.

EXHIBIT HALLS AT NATURAL HISTORY

The exhibits in this building have been a disgrace. Is that true?

Mr. TYLER. I believe they are vastly in need of improvement. And we would do so if we had about half a million dollars more per year to refurbish and restore our permanent exhibit halls, which indeed, in some cases are rather shoddy in appearance.

It is not the fault of the curators being willing to volunteer time and effort, because they have a committee of curators who serve the assistant director of exhibits.

Larry O'Reiley, who is here today, would be the first to say he needs a half a million dollars more of funds to restore our public exhibit halls.

Mr. YATES. Why doesn't Mr. Adams give them to you?

Mr. TYLER. He is doing the best he can.

Mr. YATES. Well, that raises the question of balance. Should research be cut to give a better deal to the public? What do you think?

Mr. TYLER. I think our balance—75 percent goes to research, research support and collections maintenance.

The other 25 percent goes for exhibits education and outreach activities. I think it is a fair balance.

Mr. YATES. Well, for years we have been trying to show the artifacts and history of the American Indian, and you are the portrayer of that, are you not, in the Smithsonian?

Mr. TYLER. Yes.

Mr. YATES. I, personally, when I went up to see your exhibits, had the impression they could be improved.

Mr. TYLER. Absolutely.

Mr. YATES. They were dark and not a reflection, really, on the kind of showmanship—and I don't mean that in a Frank Sinatra sense—the kind of showmanship that a museum should offer to the public.

Is there any way you can improve that under existing funds?

Mr. TYLER. I agree the Indian hall is drab, dreary and dull. I am not pleased with it at all. I have been through it recently in conjunction with the request to bury Indian skeletal remains.

We have some remains on exhibit in that hall. I would like to replace those with other types of objects. It is expensive to do that. A new hall costs between $2.5 million and $5 million to refurbish and make it new again in a cultural and scientific content.

We don't have money to do that in the Indian hall or gems or minerals or any others that are outmoded.

CONSTRUCTION AT DULLES AIRPORT

Mr. YATES. There is a question about the construction policy of the Smithsonian.

Mr. ADAMS. I quite agree with the——

Mr. YATES. A thought that comes to my mind, before you start, Mr. Adams, is why should we be spending millions of dollars for this addition at Dulles in order to house your Enterprise, when we ought to be cleaning up your museums.

Mr. ADAMS. There is no proposal before you in this budget, nor in any budget I can see, certainly in the immediate future, to spend any millions of dollars at Dulles.

Mr. YATES. I read in your minutes, I thought that you were looking to receive the Enterprise, you were going to put it in a shed at Dulles, I think, temporarily, or in some kind of portable building, but I assume once you get the Enterprise, there is going to be an awful lot of pressure by Virginia Senators and by other people to house that in appropriate surroundings.

Mr. ADAMS. The Enterprise is only one of a number of exhibits that need to find housing. The Air and Space Museum is full, and I think there will need to be a museum there. But I don't think we are making a proposal as part of this budget.

Mr. YATES. I thought I saw that in your overall construction budget last year. Did I not? What about in your five year prospectus?

Mr. ANDERSON. There is a new prospectus. There has been an intervening variable called Gramm-Rudman-Hollings.

Mr. YATES. You are down to $22 million from $200 million. Your budget last year, as I remember what you were going to do, approximated—over a five-year period approximated $200 million.

Mr. ANDERSON. The capital budget.

Mr. YATES. Has that been changed by Gramm-Rudman?

Mr. ANDERSON. These new numbers reflect the projections that OMB has in its mind as those which are appropriate for the Smithsonian Institution during this budgetary retrenchment period.

I don't think it suggests at all that the other projects have disappeared. They are simply pushed beyond the immediate horizon.

ARTS AND INDUSTRIES BUILDING RENOVATION

Mr. **Yates**. I suppose I should let Mr. Adams and you address that question. What happens to your proposed renovation of the Arts and Industries Building? Is that now in the background?

I remember it was $31 million.

Mr. **Anderson**. It proceeds in a slow fashion within the existing Restoration and Renovation of Buildings account. The exterior is almost complete—exterior renovation, replacement of windows, window frames, the seams between the walls and the roof—that is almost done.

We will be able to turn from exterior to interior repair and improvement as part of this 1987 budget request.

EXHIBIT HALL RENOVATION

Mr. **Adams**. Mr. Chairman, can I go back to the answer I was about to give?

Mr. **Yates**. Sure.

Mr. **Adams**. I quite agree that many of our exhibits in the Natural History Museum, in particular, are not as good as they should be.

I say that, in particular, having recently visited a number of natural history museums around the country, new ones, coming on line with new ideas and so on, and I think we have a great deal that we can and must plan to do.

It is expensive to do when you are the U.S. National Museum, because the collections are huge, and the requirements of doing it right and doing it authoritatively and thoroughly make it more expensive than it would be.

There isn't the capacity to be as quickly innovative as can occur in smaller collections.

As Mr. Tyler has indicated, the costs are very large to do this job.

Let me speak to the question that is raised in the comments that you received. I do have strong views on them, and I would like to have them on the record.

The question of balance of research and museum activities is obviously an exceedingly difficult one, and it is one that we do discuss a great deal.

It is one on which there cannot be a fixed position. I would point out, however, which is sometimes negotiated by people working for the Smithsonian and certainly by the public, that our charter calls for attention to the increase and diffusion of knowledge.

The increase, clearly, is in the research activities of the Smithsonian. The diffusion is in the exhibit activities. I don't think this should be seen as an open position. I think, in fact, if you take fields like systematics, one feeds into and supports another.

We are, in fact, carrying out our charter by supporting research activities. If we then look at those research activities over recent years, as I have had occasion to do, I would say that it is very hard to make those calculations, because many other variables come into account.

But relative to the support given by this administration and by past administrations to the support of research within the country, generally, the Smithsonian has moved ahead a little less rapidly than has been true of, say, the National Science Foundation budget.

Similarly, if you look at the portion of funds devoted to research within the Smithsonian, it is significantly lower now than it was, say, 15 or 16 years ago.

All I am saying is that I don't think a case can be made in view of this sort of larger view of what the Smithsonian is and what it should be related to, that we are supporting research activities at the expense of museum activity.

CONSTRUCTION PLANS

Mr. **Yates**. The money has been coming in, but the money has gone for construction rather than anything else. You have the frames now, you have the big buildings, and you still have—at least in last year's budget—you still have a huge construction budget that you had intended to exercise.

Mr. **Adams**. Even within the operating budget, there has been a slight, but significant, reduction in the percentage of funds for research.

Mr. **Yates**. Was I wrong in thinking your total was close to $200 million? Fifty-nine million for construction—yes, 59.8, 18.3, 39.3, 15.9, 4 between 1986 and 1990.

Mr. **Adams**. If you are looking ahead at the construction budget—take the case of the Dulles facility you mentioned—at the moment there is no clear indication of what the scale of that facility ought to be.

I have heard estimates ranging from somewhere around $30 million to up in the eighties. We really have no way of putting that in.

Mr. **Yates**. Last year you put it in in table three, showing that in 1989 you propose to spend $2.4 million, and in 1990 you propose to spend $29.6 million.

I don't know whether you intend to spend any beyond that. But is that out now, at the present time?

Mr. **Adams**. I think that is out at the present time.

Mr. **Yates**. What about the Quadrangle, if completed, of course? What happens to the General Post Office expenditure that is proposed, $3.5 million for 1987 and $36.5 million for 1988?

Mr. **Adams**. There is no provision for that in this budget.

Mr. **Yates**. Are the funds for the Whipple Observatory in for 1987?

Mr. **Anderson**. The construction funds in the budget before you, sir, would accomplish the completion of the Quadrangle, and fund the tropical institute——

Mr. **Yates**. So, you got $3.9 million for the Smithsonian Tropical Research Institute for 1987; $2.8 million for 1988; and $4.4 million for 1989. That is still ongoing.

Mr. **Anderson**. I am not certain which chart you are reading from.

Mr. **Yates**. I am reading from last year's Five-Year Prospectus, dated January 28, 1985. Would you like to see it?

Mr. **Anderson**. That is largely an obsolete document.

Mr. **Yates**. What do we do, relegate this to the waste basket, then?

Mr. **Anderson**. The five-year document is intended for annual updating and renewal.

Mr. **Yates**. You now show an average, I guess, of about $22 million for each year, going from 1987 through 1991.

Mr. **Anderson**. Which is almost exclusively the renovation of existing physical plant rather than the construction of new space.

Mr. **Yates**. We will go into those a little later. I want to complete the museums now that I have started them. I take it, Mr. Tyler, you had finished with the Natural History Museum?

Mr. **Tyler**. I would like to endorse Roger Kennedy's statement about the impact of the cut, in 1986.

Mr. **Yates**. Do you want to put in the record what effects it will have specifically?

DINING FACILITY AT NASM

Mr. **Murtha**. Mr. Chairman, I wonder if I might ask a question of Secretary Adams about the dining facilities that are going to be put in. I have been down there a couple times to the Air and Space Museum, and it is kind of out of the way, and you talked a couple years ago about putting something on the first floor where people could get to it at a reasonable price, and I notice, in looking, you still haven't made a decision. Where is that, and——

Mr. **Adams**. A decision was made by the Regents at their last meeting, and a request for a proposal of a bid to provide service in a new restaurant on the terrace at the first-floor level adjoining the Air and Space Museum, has gone out.

Mr. **Murtha**. Are you going to build it yourself or contract to private enterprise, and they will provide the service?

Mr. **Adams**. The action taken by the Regents contemplated borrowing of the necessary funds by the Smithsonian, itself. The building would be contracted out for construction. I think there is room for re-examination of precisely what pattern we will follow when we see what the bids are. We are definitely proceeding with the plan.

Mr. **Murtha**. I hope you will consider a place where they can get in and get out that won't be so formal. I don't have any idea what you have in mind, but I know there are so many people visiting, it certainly ought to make some money if it is handled the right way.

Mr. **Adams**. We plan a 1000-seat restaurant with rapid access from the first floor level, and I hope, if I say that it is designed to move people through quickly, you won't think of it as a fast-food line.

Mr. **Murtha**. No, and I don't even know that people would object to that in a place like that, that they could get in and get something to eat and rest maybe, but also get out in a hurry.

Mr. **Adams**. I think Mr. Jameson has something to say.

Mr. **Jameson**. This is a sketch plan for what the proposed facility will be. We are looking north at the Air and Space Museum as if we were standing on Independence Avenue. This is the East side, and we would construct a restaurant on that rather open and wide terrace area toward the Capitol. It should be very accessible to the public.

Mr. MURTHA. Nothing, just a concrete patio?

Mr. JAMESON. Paving block. Yes, sir.

Mr. MURTHA. I assume it will be the same type. When you look out the Appropriations Committee room, you look right into that, of course, beautiful building. And it will be the same; it will fit right into the building?

Mr. ADAMS. It will have to be designed to harmonize, yes.

Mr. JAMESON. The interior will be designed to give a through view——

Mr. MURTHA. I think that is something you should be concerned about, because where it is now almost limits access to it, and I think it could be a good thing for the museum. If it is handled right, it could make money.

Mr. ADAMS. It has been a complex project, but we are moving ahead very clearly.

PCB CORRECTION

Mr. YATES. None of the three museum directors have told us about their PCB problem. Is that because someone else wants to testify about that? Because each of the three museums are the ones that have the PCBs, aren't they, that are being corrected American History, Portrait Gallery and Natural History. Are there others that have PCB problems?

Mr. JAMESON. There are approximately 60 systems that need to be retrofilled to take out the PCB fluid and put in new fluid or may need to be taken out and replaced with brand new transformers. We have roughly $.5 million in the 1987 budget request before you to begin that process, which we will then complete at a cost of about $3.5 million by 1990, which is the deadline for EPA regulations. Michael League, our Acting Director of Facilities Services, can give you a rundown, if time permits, on all the things we have done since last summer when we had the publicity to make sure we are in compliance.

Mr. YATES. I think that should go into the record for sure.

[The information follows:]

STATUS OF PCBs IN SMITHSONIAN TRANSFORMERS

Much progress has been made since the Environmental Protection Agency inspected a number of electrical transformers and since the issuance by the Environmental Protection Agency (EPA) of new Federal regulations governing the use of PCB transformers in July 1985.

Among numerous fire protection improvements over the years, the Smithsonian has taken significant steps to keep fires away from transformers. These steps have included enclosing transformers with fire-rated construction to reduce the possibility of a fire outside the room reaching the tranformers, providing fire detection to give early warning of a developing fire so that it can be kept away from a tranformer, and providing sprinkler protection in areas where fire hazards may threaten transformers. More recent measures have included repairs performed by Sub-Station Test Company to correct leaks on various PCB-filled tranformers; implementation of inspections to detect and document new transformer leaks; and initiation of proper storage documentation and labeling practices for PCB dielectric fluid and associated contaminated materials.

About $270,000 has been spent to date to make necessary repairs. Sub-Station Testing Company completed repairs to all leaking PCB transformers in Smithsonian buildings in February 1986. The Office of Plant Services is continuing to make daily inspections of all PCB transformers to identify new leaks and initiate necessary corrective repairs in accordance with EPA regulations. Corrective work on all circuit breakers and related equipment performed by the Westinghouse Electric Company was completed in mid-March. This work corrected all high-voltage equipment deficiencies noted during annual preventive maintenance contract inspections for fiscal years 1984 and 1985.

The Institution contracted in October 1985 with Gage-Babcock and Associates, Inc. (engineers and consultants in fire protection, safety and security) to study Smithsonian electrical systems. The report recommended that the Institution tighten specifications used in the annual high-voltage preventive maintenance contract; it also recommended that electrical load "coordination" studies be conducted in all Smithsonian buildings. Equally important and encouraging, however, were Maryland Electric Testing's (MET) assertions that the Institution's electrical systems were adequately managed and that the problems noted—common to varying degrees in all electrical systems—did not present imminent danger to artifacts, the public, staff and buildings. As a result of the MET recommendations, the specifications for fiscal year 1986 have undergone extensive review and revision, and the Institution is actively reviewing available resources to locate funds to contract for cooordination studies.

Gage-Babcock was also asked to develop an operational emergency plan for Smithsonian personnel to follow in the event of a PCB transformer fire, using the Natural History Building as a prototype, and to develop recommendations to minimize further fire threats posed by PCB transformers. A final report on these two studies was received in early April and is currently under review by Smithsonian staff. The preliminary report received in November 1985, and the subject of recent media reports, contained 27 recommendations. Action by the Smithsonian has already been taken or is in progress on 15 of the recommendations. The remaining recommendations elicited some differences in opinion among the Offices of Design and Construction, Plant Services, and Safety Programs with respect to need, method of implementation, and scope. Further action on these recommendations awaits review of the final report regarding its response to the points raised by Smithsonian staff.

In a letter dated January 10, 1986, the Director of the Environmental Protection Agency's Hazardous Waste Management Division reported favorably on its review of corrective actions taken by the Smithsonian to comply with the PCB regulations. Similarly, in a letter dated January 22, 1986, the National Institute for Occupational Safety and Health reported favorably on its visit and follow-up evaluation of potential PCB exposures as well as other safety concerns raised by the American Federation of Government Employees Local 2463, the Smithsonian's civil service employee union.

The Smithsonian's current Five-Year Prospectus provides for the appropriation of $3.5 million dollars during the period from fiscal year 1987 to 1990, inclusive, for the replacement of PCB transformers. A replacement plan has been prepared in order of priority together with cost estimates. These estimates include the cost of disposing of PCB fluid and contaminated transformers in accordance with EPA regulations. The plan will be revised if the retrofill technique currently under evaluation becomes fully acceptable to the Institution or if other funding sources become available to share replacement costs.

Mr. YATES. The question that concerns me is this, why is it taking so long? If this is a dangerous condition, why are you allocating only $.5 million to it for this year rather than expediting it?

Mr. JAMESON. Part of it has to do with the overall allowance from OMB, approximately $13 million.

Mr. YATES. What did you ask OMB for?

Mr. JAMESON. We asked for $16 million.

Mr. YATES. Would that have permitted you to have a program that would permit you to get rid of the problem quickly?

Mr. JAMESON. I am sure——

Mr. YATES. What is the total cost of the program?

Mr. JAMESON. About $3.5 million.

Mr. YATES. What is the $16 million for?

Mr. **Jameson**. The $16 million was the total R&R request.

Mr. **Yates**. I am interested only in the PCB's at the moment. How much will it cost to eliminate the PCB problem?

Mr. **Jameson**. $3.5 million, Mr. Chairman, over about four fiscal years.

Mr. **Yates**. Why do you take four fiscal years?

Mr. **Jameson**. Part of it has to do with our ability to move into buildings and make those changes that quickly. Part of it has to do with money.

Mr. **Yates**. Can't you rewrite the program to less than four years?

Mr. **Jameson**. Mr. League, can we?

Mr. **League**. Yes.

Mr. **Yates**. How long can you do it, Mr. League?

Mr. **League**. I would say probably in two years.

Mr. **Yates**. How much do you need for each year?

Mr. **Jameson**. It would be half of $3.5 million, roughly, $1.8 million.

Mr. **Yates**. Do you need more for the first year or more for the second year?

Mr. **League**. No, sir, part of the problem in accelerating is that there is a great deal of design work that will have to go into this replacement program.

Mr. **Yates**. That, of course, relates to the time factor. That is what I am asking you. Have you taken that into consideration in telling the committee it will take two years to do it?

Mr. **League**. I would say so, yes.

Mr. **Yates**. You can do it; get it done in two years. In other words, if we give you the $3.5 million to do it, you could do it within the next two years. Could you do it faster than the two years? It is in unsafe condition, isn't it?

Mr. **League**. It is only unsafe——

Mr. **Yates**. Explain the problem, then. From what I read in the paper about PCB's, I have been terribly impressed. I feel it is an emergency condition. Correct me if I am wrong.

Mr. **League**. Well, I would like to correct you from what you read in the paper. The PCB, itself, is only dangerous if it gets into the ground water system or the food chain.

Mr. **Yates**. What if there is a fire?

Mr. **League**. Or if there is a fire. We feel reasonably comfortable that our electrical systems and our fire suppression protection systems within the buildings, while not eliminating the possibility of a fire, reduce that possibility to a degree of risk that we feel safe with.

Mr. **Yates**. Gee, I would hate to have that happen. And you explain it later in saying "We never saw this happen." We just finished an election in Illinois where we didn't foresee something happening. Kind of a fire, too. It is amazing how many times the perfect system turns out not to be perfect.

Mr. **League**. Yes, sir, anything can happen. We have spent a great deal of money since the EPA inspections last July with outside contractors coming in and taking corrective actions, analyzing our systems and so forth.

Mr. YATES. Well, let's read from the Washington Post of March 4, 1986. I am kind of alarmed by the PCB's now, and you are trying to put out the committee's fire. This is what Dana Green, Manager of the Substation Test Company, which as part of its annual maintenance inspections, has reported electrical and transformer deficiencies in the Smithsonian since 1982. He praises Mr. Adams' work, he said "I can say without reservation he is conscientious by all appearances in contacts I have had with him. He appears to be trying to get something accomplished in his job, noting that deficiencies reported as long as three years ago were corrected only after publication of the Post's article."

Why is that? Why weren't they corrected three years ago? Now, of course, publicity has a very salutary effect sometimes on institutions, as well as on politicians. Why isn't it better just to tell us that we ought to get the job done and do it?

Mr. LEAGUE. I would agree within reason, the faster we replace the PCB transformer, the better off we will be.

Mr. YATES. Two years is your fastest time?

Mr. LEAGUE. That would be my minimum.

Mr. YATES. You want half of $3.5 million, then, for 1987?

Mr. LEAGUE. That would be fine.

SUPPLEMENTAL FUNDING

Mr. YATES. As a matter of fact, should you be having it as a supplemental? Did you ask for it in a supplemental, or don't you consider it that important? Anybody want to answer that? Mr. Jameson, you are quiet.

Mr. JAMESON. It is very important to correct the PCB problem.

Mr. YATES. Why didn't you ask for it as a supplemental?

Mr. JAMESON. We thought there was no chance of getting supplemental money.

Mr. YATES. Why don't you come to the committee and tell us it is important to get the money? We just went to the full committee yesterday for a request for supplemental funds. I don't know why you didn't try if it is that important. Could you have used the extra money at that time, that is the question, or are you spending as much as you can?

Mr. JAMESON. We certainly need the extra money. I think we can proceed in an orderly way in a two-year timeframe.

Mr. YATES. You still need design, if I understand you correctly, so that you don't need 1986 funds. You don't need it if you don't have design unless you need it for design. Do you need the money for design? Do you have money for design?

Mr. JAMESON. We could spend money this year out of the current R&R account for design.

Mr. YATES. So that doesn't need a supplemental. If you get it for 1987, you can move forward.

Mr. JAMESON. We will certainly spend the money in 1987.

Mr. YATES. That is the fastest you can do it, is that right?

Mr. JAMESON. Yes, sir.

Mr. YATES. You say you could use some money. What do you mean by that? There are two ways of interpreting that. You said out of your present R&R funds. Do you have money in your R&R funds you will use for designs?

Mr. JAMESON. Yes, sir.

Mr. YATES. Not could, but will?

Mr. JAMESON. Yes, sir.

Mr. YATES. I appreciate the use of the verb. We already have that. What about the next museum after this?

COLLECTIONS AT THE AFRICAN ART MUSEUM

Mr. ADAMS. I think we are working our way through the collection of objects that have come in. I think we might turn to Sylvia Williams and collections of the National Museum of African Art.

Mr. WILLIAMS. I will bring the objects to you.

Mr. YATES. You wear white gloves, too?

Ms. WILLIAMS. Oh, yes.

Mr. YATES. It looks Indian.

Ms. WILLIAMS. What you have, Mr. Chairman, is a plaque from the ancient Nigerian Kingdom of Benin.

Mr. YATES. I know about Benin.

Ms. WILLIAMS. It is quite fortuitous what happened, the Hirshhorn Museum contained a marvelous collection of Benin bronzes of which this is one, and the Smithsonian, through an ingenuous arrangement, made it possible for the National Museum of African Art and several of the other museums to partake of the Hirshhorn objects that were not germane to its mission.

So the National Museum of African Art now has 22 Benin bronzes. It would be impossible for us to go out on the market and hope to obtain a collection like this, and they are really quite splendid. It dates to about the 16th, 17th century, but there is some dispute about that. It might be the 18th.

Mr. YATES. Now the reason I asked whether it was Indian is because I have a piece with three figures like this, smaller.

Ms. WILLIAMS. A triatic figure composition you find in many cultures. In this one, it is a person of royal stature flanked by attendants.

Mr. YATES. I have got a peasant. Mine isn't royal.

Well, you haven't really begun to operate yet, have you? You are still kind of floating on A Street.

Ms. WILLIAMS. We are still on A Street, that is correct, sir.

Mr. YATES. Incidentally, I see the motion picture setup, and the screen back there. Just by way of information, what is that for?

Mr. ADAMS. The Astrophysical Observatory has a short presentation.

Ms. WILLIAMS. A Street is about to phase out, of course. We have one remaining exhibition at that location, and then a move will occur this summer, and we will move into the new building and then, of course, we have to take time to gear up for the opening installations.

Mr. YATES. Will you be opening on the same day or night that Sackler will be opening?

QUADRANGLE OPENING CEREMONIES

Ms. **Williams**. The opening ceremonies are being orchestrated so they are in succession, they don't overlap.

Mr. **Yates**. You don't have the time table there?

Ms. **Williams**. They are working on a time table now.

Mr. **Yates**. Will somebody put it into the record?

[The information follows:]

Quadrangle Openings

Plans for opening the Quadrangle complex have been developed in conjunction with the directors of the bureaus and offices involved and have been approved by the Secretary. The Enid A. Haupt Garden is scheduled to be dedicated at a small private ceremony and opened to the public in September 1986. Eight months later, the underground structure will be completed with its inaugural exhibitions in place. From May 30, 1987, until June 15, when the complex will be open to the public, 16 days of special preview events for the press and approximately 20,000 invited guests will be held consecutively at the Sackler Gallery, the Museum of African Art, and the International Center.

Consecutive openings have been organized so that each programmatic area may establish its separate identity from the outset and in order that the Smithsonian's invited guests may be received with appropriate graciousness. Within this 16-day period, several outreach events are being planned to involve the students and teachers of the District school system as well as other wider audience constituencies.

An invitation will be extended to the President to dedicate the complex and open it to the public on June 15, 1987.

MAY/JUNE 1987

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Day	May 24	25	26	27	28	29	30
Eve		Memorial Day Observed					Sackler Dinner & Reception
Day	31 Sackler Lectures	June 1 Sackler Student Teacher Outr.	2	3 African Art Lectures	African Art 4 Student/Teacher Outreach	5	6 International Ctr. Lectures
Eve	Sackler Concert	Sackler Reception	African Art Dinner and Reception	African Art Concert	African Art Reception	International Center Dinner & Receptions	International Center Reception
Day	7 Congressional Open House	Internatl. 8 Center Student/ Teacher Outr.	9 General Press Preview	10 General Press Preview	11 General Press Preview	12 Staff Open House	13 Associate Donors Open House
Eve	SITES Reception	CWA* Reception	CWA* Reception	Donor or Outreach Functions	Donor or Outreach Function		
Day	Associate 14 Donors Open House	President 15 Opens Complex to Public	16	17	18	19	20
Eve	Regents' Dinner and Ancillary						
	21	22	23	24	25	26	27
	28	29	30				

*Committee for a Wider Audience

Mr. **Anderson**. It is still tentative. We foresee activities stretching over a two or three-week period to allow proper access.

Mr. **Yates**. You are not going to have any kind of explosion like the celebration at the Statue of Liberty on July 4th?

Mr. **Anderson**. I was not there.

Mr. **Yates**. No, it is this coming July 4th. Well, you haven't consulted the people up there. Who is preparing this?

Mr. **Anderson**. The opening?

Mr. **Yates**. The opening.

Mr. **Anderson**. I thought you were referring to the bash in New York.

Mr. **Yates**. I was trying to compare it. You don't propose to have a celebration that grand.

Mr. **Anderson**. I am not familiar with that which it is being compared to, so I don't know.

BUDGET CUTS AT AFRICAN ART MUSEUM

Mr. **Yates**. Let me talk to Sylvia and then I will come back to this.

Sylvia, have you any problems?

Ms. **Williams**. We are a small institution and since we are about to embark on what we are doing, cuts of Gramm-Rudman can't help but to have a deleterious effect. The first round of cuts, we are reducing $113,000, we are reducing $90,000 from exhibition design plans for the building. We have eliminated $20,000 worth of free public information for those exhibitions and then I have to reduce staff travel by $3,000 to make up the $113,000, but that is on top of, of course, other cuts that have occurred since the time of these hearings a year ago, which totals about $400,000 some. We feel the impact of this, particularly in view of what is ahead of us.

Mr. **Yates**. Do you have any conservation problems?

Ms. **Williams**. Well, I don't have any—you mean in terms of the facility or collection?

Mr. **Yates**. Yes.

Ms. **Williams**. Not problems, but since we are young, it took us a while to get our full conservator's slot. We got it; it is filled and he is working hard.

Mr. **Yates**. What happens to all of your wooden objects? I would think at least the historical ones would be deteriorating?

Ms. **Williams**. They are living under abominable circumstances on A street, but, of course, that is about to change when we move to the new facility. They will be in ideal conditions. A Street is not good for anything in the way of storage.

Mr. **Yates**. Not good for anything what?

Ms. **Williams**. With respect to storage.

Mr. **Yates**. You don't want to amplify on that?

Ms. **Williams**. No.

Mr. **Yates**. Anything else you want to tell us?

Ms. **Williams**. The cuts are the main thing, and if it continues, it will, of course, have a deep impact on our ability to open the programs you haven't seen.

ACQUISITIONS PROGRAM AT AFRICAN ART

Mr. **Yates**. How are your collections coming along?

Ms. **Williams**. Slowly.

Mr. **Yates**. Weren't you supposed to get a couple collections as a result of getting——

Ms. **Williams**. Yes. First, we got the Hirshhorn collection of Benin objects. That was one sizable gift. Through a transfer.

Second, we have slowly, but surely, been acquiring a private European collection through a Trust funded arrangement with the Smithsonian. Our Federal budget is quite modest. For example, let me give you an illustration, of 86 objects acquired in the past year, only six were acquired with Federal funds. The rest all came either as private donations or through private contributions toward the purchase of the object. So, we stretch it as far as we can, but it is a very modest budget.

Mr. **Yates**. Thank you very much, Sylvia.

EQUIPMENT REPLACEMENT PROGRAM AT SAO

Mr. **Adams**. Continuing in that same line, we might turn to the film that you just mentioned and ask Irwin Shapiro to present a film on recent events.

Mr. **Yates**. You seem to be happier than last year when you got your money.

They cut out your money?

Mr. **Shapiro**. It is virtually gone, through the accumulation of cuts we have taken.

Mr. **Yates**. You are kidding.

Mr. **Shapiro**. No, I am not.

Mr. **Yates**. How much money is involved?

Mr. **Shapiro**. We took an effective cut of $850,000.

Mr. **Yates**. What did you lose as a result of it?

Mr. **Shapiro**. We virtually crippled our equipment replacement and improvement program. I could tell you the alternatives we had and why we had to do that.

We basically had two choices. One was cutting out people; we had, again, two choices. We could have cut the senior people which would save no money at all. They have so much in benefits that we don't save money. So that doesn't solve the budget problem. If we cut out young people, we cut our most productive scientists, and that doesn't make any sense. If we start doing that and there comes a time, if we recover economically, when we want to start hiring new scientists to take their place, we would want to hire good ones. But they will have other suitors, and I guarantee you the other suitors will point out what happened in the massacre of 1986 or 1987, whatever it is. So we really have a potential long-term disastrous effect if we cut out our young people.

Mr. **Yates**. What does the cut out of your equipment mean?

Mr. **Shapiro**. Let's take computers. Computers are at the heart of everything we do. They point the telescopes, they run the instruments at the back end of the telescopes. They are used to process the data, they are used to interpret the data, they are used for theoretical models to try to understand the data, and they are used even in the preparation of papers for publication.

They run through the entire system, and our computers are widely recognized to be obsolete and lacking in certain critical areas. We have people doing things by hand in monitoring certain laboratory experiments.

Mr. **Yates**. Does the Department of Defense know how important you might be to SDI?

Mr. **Shapiro**. That is an issue I would rather pass on. To answer, we have no contracts or grants funded by the SDI program that we know of. I will have to add that because I have heard stories about how such funds have moved around, and one has to be careful.

Mr. **Yates**. Smithsonian or Harvard?

Mr. **Shapiro**. The Smithsonian Astrophysical Observatory.

RECENT SCIENTIFIC DISCOVERY

Mr. **Shapiro**. I had actually intended to bring in the universe, but I overestimated the size of the door there. I really appreciate this——

Mr. **Yates**. This is kind of a planetarium; isn't it?

Mr. **Shapiro**. Not a planetarium, just a little bit of film. I really appreciate this opportunity to share this startling discovery about the large structure of the universe that was made by a team of SAO scientists. I think it is arguably the most significant scientific achievement made by Smithsonian scientists in the history of the Institution.

Mr. **Yates**. Really?

Mr. **Shapiro**. I am prepared to argue it.

What is it? It concerns how galaxies are distributed in space. If you look up at the sky and separate out all the stars and only look at the galaxies which are large collections of stars, you look at the sky with the galaxies projected in two dimensions and their distribution looks random.

How are the galaxies actually distributed in distance in this third dimension?

Well, by using a time honored technique based on the Doppler principle, and by making painstaking observations using the Whipple Observatory telescopes for about a decade, we were able to chart the relative distances of over a thousand galaxies.

The surprise was this: instead of being distributed randomly in space, the galaxies actually formed the surfaces of large voids just like soap bubbles occupy a surface with nothing inside.

Mr. **Yates**. Something like the Henry Moore approach.

Mr. **Shapiro**. I wouldn't go that far. Some of his figures are quite substantial on the inside as well.

Anyway, getting back to the point, this has been a really startling discovery.

Mr. **Yates**. What occurs to me, though, you were able to make this discovery without your computers.

Mr. **Shapiro**. No. We had to use computers. In fact, one of the ways we are trying to survive is based on some of these results. We have people who have been actually going around to all their contacts in computer companies to try and get computers on long-term loan. In fact, two of our scientists, just this last month, have succeeded in making up a little under——

Mr. **Yates**. Perhaps I didn't make myself clear. You want the computers in order to do this marvelous work of yours.

Mr. **Shapiro**. Do all this, right.

Mr. **Yates**. Even without the computers you didn't buy, arguably you made the best scientific discovery in the history of the Smithsonian. I mean you do such wonderful work without it. How much of a greater discovery could you make?

Mr. **Shapiro**. That is a good question, and we would like to look for the answer.

Let me give you one illustration. We have explored here one-one hundred thousandth, ten to the minus fifth, one-one hundred thousandth of the universe. We would like to explore more.

The only way we can do it usefully is to take advantage of the advance in computers because we have to do so many more things so much faster. We couldn't possibly continue in the same way. So the point is, we have reached a certain level. To go to the next level, to continue the research, we need to replace the computers with more modern equipment.

Mr. **Yates**. The next question that occurs to me is what is your relationship to NASA? Isn't NASA doing that same kind of work?

Mr. **Shapiro**. Good question. These are ground-based results. We did this with telescopes on the ground. NASA is concerned only with space.

The interesting thing is when you do things on the ground, the expenses are roughly one percent or less of comparable experiments in space. So ground-based astronomy is very cost effective and, in fact, most of the major discoveries about the universe, as opposed to the solar system, have been made from ground-based instruments, which is not to say one should not use space-based instruments because one can do things in space that just are not possible to do from the ground.

Mr. **Yates**. You do all this for three-quarters of a million dollars?

Mr. **Shapiro**. It depends on how you count. What I am about to show you are the results of a ten-year program.

Mr. **Yates**. I understand your equipment you wanted was three-quarters of a million dollars. Am I wrong? What was the figure you gave me?

Mr. **Shapiro**. What I said was, we were cut by $850,000 and we had to cut out most of our equipment replacement and improvement program.

Mr. **Yates**. Roughly three-quarters of a million dollars.

Mr. **Shapiro**. That is to replace and improve——

Mr. **Yates**. This will launch you into——

Mr. **Shapiro**. I thought you asked me how much it would cost to do this.

Mr. **Yates**. No. This will launch you into the stratosphere if you get this money?

Mr. **Shapiro**. It will certainly put our computer infrastructure on a sounder basis. I will just give you one illustration. Most of the equipment we are using now is obsolete. I have not taken any money for my personal research from the Smithsonian budget. I get money from my own contracts and grants through NSF to do my own research. My grant monitor chewed me out saying the computer expenses I have on my grant application are the highest he's seen in all the grants he has received. That is because we are dealing with obsolete equipment; making it do what we need to do costs much more.

Mr. YATES. All right. You make a good argument for the $850,000.

Mr. SHAPIRO. Everybody has had to absorb these cuts.

Mr. YATES. You are still earth-bound to your obsolete equipment.

THE FILM

Mr. SHAPIRO. Right. This movie was made by SAO scientists on non-working time, and I will narrate.

Mr. YATES. You didn't have the money, did you?

Mr. SHAPIRO. It was all done basically out of love of the possibilities and the results. First, you see what the galaxies look like on part of the sky. Then you look at the strip outlined by two horizontal lines which show the galaxies for which we determined what happens in that third dimension.

Now, we fade into what the distribution looks like when we look out in that third dimension. You see the galaxies are distributed sort of linearly. That is only because of the slice. They are really on two-dimensional surfaces.

What we are doing is just flipping the view to let you see from different vantage points what this structure looks like. The point up at the top now is us. It is coming along to the middle of the screen as we look out in space in the other two dimensions. You can see that there is nothing random about this distribution and the galaxies form surfaces just like in bubbles.

This is an actual picture of a bubble and this is back to the two-dimensional view of the sky which shows you couldn't possibly have inferred that structure from just looking at the universe that way.

Mr. YATES. The shortness of that film makes me believe you really worked hard.

Mr. SHAPIRO. Believe it or not, a lot of work and mathematics went into that film to change the projections.

Mr. YATES. The question that occurred to me, was that a photograph or was that something that you created?

Mr. SHAPIRO. That is all done by computer. All we did was take the positions of the galaxies. Remember I said earlier we separated out the stars and the planets you see when you look up at the sky, and only left the markers for the galaxies. That is what the sky looks like if one could see only galaxies.

What I would like to do is make three more points, one about the scientific significance of this discovery. The short answer is it is too early yet to say. It is too new. What everyone agrees on is that when we finally understand what causes this structure, we will doubtless have profound new insights into how the universe evolved to produce such structures.

The other point I would like to make—the second point—is that there is a revolution going on in science at the moment that is not widely appreciated. There is a confluence between the immeasurably large, the deep universe, and the immeasurably small, fundamental, elementary particles of physics. Elementary particle physicists are looking more and more now to the universe as their laboratory to gather experimental information on new elementary particles.

That brings me to the final point—the practical benefit of all this. The bubble structure SAO scientists discovered, as you probably could infer, will persist as a permanent fixture of the firmament for eons after Halley's Comet stops orbiting the sun. So this is of permanence. But what would its practical benefit be down here? It is not possible to say. All one can do really is point to the past and say, with regard to Faraday, to Maxwell, to Einstein, to Dirac and to Bohr, it was not clear what the practical benefit of their fundamental research was, but it is clear to everyone now that the technological base of our civilization depends solely on the physics that was done from 60 to 160 years ago. And I see no reason why history should not repeat itself.

What we are doing here is laying the seeds of the future technology that none of us is wise enough to predict in detail.

Mr. Yates. You have to trust in luck occasionally, don't you?

Mr. Shapiro. It is an investment for which the historical precedent on outcomes is certainly fine.

Mr. Yates. There was a story about Niels Bohr who was visited by a young man who came into his office and above his door he saw a horse shoe hanging. He said, Dr. Bohr, you don't believe in horse shoes, do you? Dr. Bohr looked up and said, no, I don't believe in them, but some people say they do bring luck whether you believe in them or not.

Mr. Shapiro. That reminds me of the story of Ben Franklin who said he believed in God just in case. Anyway, I brought for you, if you would like it, a picture of a somewhat different part of the sky, These results, just obtained this month, are of a smaller number of galaxies and you can see the surfaces of circles outlined here. You can put a compass down and draw a circumference and it fits just beautifully.

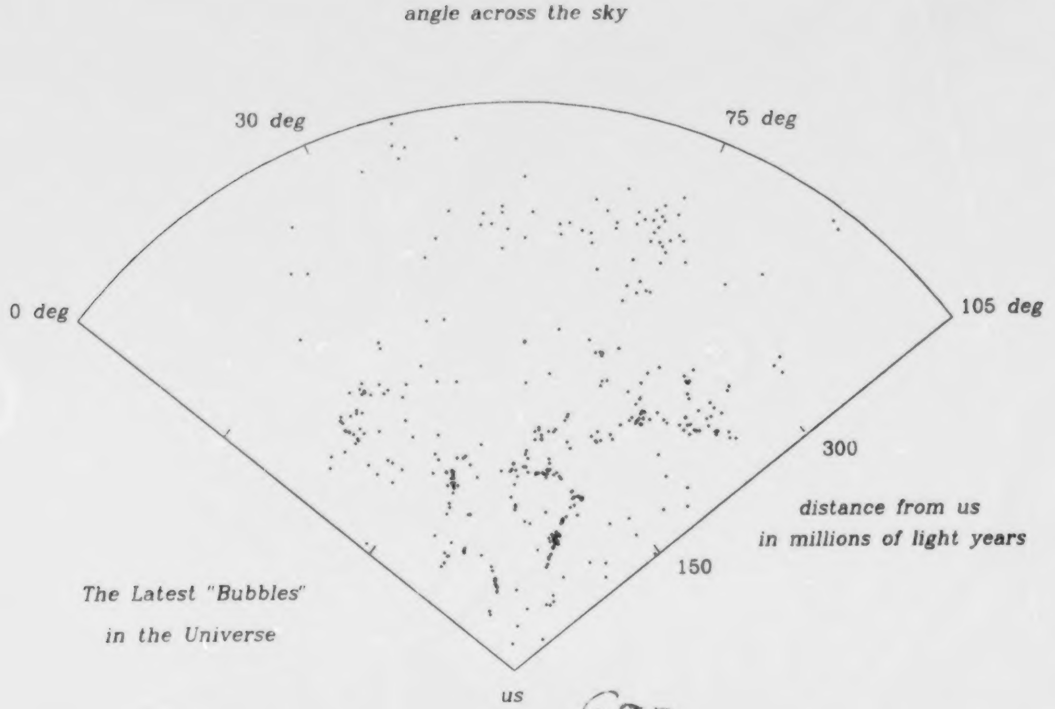
It is perfectly clear there is a general property of this structure out in the universe, but when we can look——

Mr. Yates. Would you like to put this in the record?

Mr. Shapiro. Sure.

Mr. Yates. We will put it in the record.

[The information follows:]



The Latest "Bubbles"
in the Universe

600

Mr. **Yates**. Very similar to the chart I just got. I just got two new speakers for my high fi system.

Mr. **Shapiro**. That is purely coincidental.

Mr. **Yates**. I know.

Mr. **Shapiro**. Unless you really believe in horse shoes.

Mr. **Yates**. Who is next?

Mr. **Adams**. I think next we ought to turn to our other major research facility, the Tropical Research Institute.

EQUIPMENT REPLACEMENT PROGRAM

Mr. **Yates**. Before you go to tropical research, let me go back to Mr. Shapiro for a moment.

Is there a phased purchase you can have in your program? Do you need the $850,000, all at once?

Mr. **Shapiro**. This is a phased purchase. This was a five-year replacement and improvement program.

Mr. **Yates**. They stopped you in flight, didn't they? They didn't let you take off at all.

Mr. **Shapiro**. We barely got half way down the runway.

Mr. **Yates**. I thought I had done such a good job for you and they knocked you out and they knocked me out, and I won't permit it, Mr. Shapiro.

Go ahead, Mr. Adams.

TUPPER FACILITY AT STRI

Mr. **Adams**. I think we should ask Ira Rubinoff if he would come forward.

Mr. **Yates**. How do you like living in Panama?

Mr. **Rubinoff**. It is warmer than Washington at the moment. Our request is for funds to match a gift from a private donor of $4 million to help us consolidate our facilities in Panama. We are currently in a lot of World War I or even older structures that were turned over to the Smithsonian by the Panama Canal Commission, and the U.S. Armed Forces.

Mr. **Yates**. Yellow fever time.

Mr. **Rubinoff**. In that period. So this will allow us to consolidate. We already have the site—this is the site of the old Tivoli Hotel for any of you who were down in Panama in the fifties or sixties, a hotel I think that Teddy Roosevelt stayed in at one point.

The site contains our administrative headquarters and a new library built three years ago. The Tupper center will allow construction of a laboratory, greenhouse, animal holding facilities, cafeteria and conference facilities.

Mr. **Yates**. Is this Tupper of Tupperware?

Mr. **Rubinoff**. Originally, yes.

Mr. **Yates**. How come it is not in the shape of one of those bowls?

Mr. **Rubinoff**. He sold the company some years ago. This will allow a consolidation, a centering of our activities in one area with the exception of the field facilities, which are tied to the oceans or Barro Colorado Island and essentially to create a campus-like facility.

Mr. Yates. It looks very good in the model. You brought that all the way from Panama?

Mr. Rubinoff. The Air Force helped get it here.

Mr. Yates. I must say I am impressed by it. I guess you are, too, aren't you?

Mr. Rubinoff. It is impressive. I would like to see it reach reality.

Mr. Yates. What problems do you have? Apparently you don't have any problems, do you?

Mr. Rubinoff. The gift is one half, more than half of the total cost of the construction. We are seeking funds of three-and-a-half million dollars to start construction and complete it within two years. The design is at the 95 percent level and we should be able to break ground by September, I think, of this year.

BUDGET CUTS AT STRI

Mr. Yates. All right. Anything else you want to tell us?

Does Gramm-Rudman affect you at all?

Mr. Rubinoff. Quite seriously. It will cost us $164,000 this year, plus another $30 thousand or so, for the two percent, that occurred earlier. This will force us into a furlough of all our scientific staff and senior administrators for a three or four-day period this fiscal year.

We will also have to reduce our equipment replacement in the area of the purchase of new diving compressors, various kinds of electronic equipment, computers, etc.

Mr. Yates. Will you lose your staff as a result of the furloughing?

Mr. Rubinoff. I don't think at that level. If it persists the next year at ten percent or greater, most definitely.

Mr. Yates. What is the nature of your staff? Who are they?

Mr. Rubinoff. There are 25 staff scientists and three or four administrators who would be involved in the furlough.

Mr. Yates. I bet they are not happy with it, are they?

Mr. Rubinoff. No, they are not. But I think they prefer that, than to see a further cut in their equipment and their research programs. So up to at least the level of three or four days is tolerable.

Mr. Yates. That makes up the $164,000?

Mr. Rubinoff. That is part of it. That is about the last $30,000. The major part of it comes from our equipment replacement and from the slowing down of repairs and renovations and general maintenance.

We have about 50 buildings across the isthmus from one ocean to the other and it is quite a maintenance job and that will be slowed down.

Mr. Yates. Will this affect your research?

Mr. Rubinoff. Definitely in the long run.

Mr. Yates. In what way?

Mr. Rubinoff. It is going to—at some point, it may prevent us from doing a certain amount of field work. We have field vehicles to go into the field.

Mr. Yates. What kind of field work?

Mr. **Rubinoff**. Work on the ecology of forests. We have been doing research in various parts of the country, and work on both oceans, the Atlantic and Pacific, which we have access to in Panama.

Essentially, the reasons we are in Panama are the unique biological resources that are there. We will not be able to take full advantage of them, with diminished support.

Mr. **Yates**. Anything else you want to tell us?

Mr. **Rubinoff**. I think that is it for now. I echo my colleague's concerns about the future if we are forced to take these cuts in a research organization. We have no public access or responsibility that we can cut back on.

It goes right to the core of our program which is the protection of the Barro Colorado Nature Monument and our own research effort. There is really nothing we can do except affect our core programs.

Mr. **Yates**. OK. Thank you very much, Mr. Rubinoff.

Mr. **Adams**. This concludes the show and tell portion of the program.

BUDGET CUTS AT CENTER FOR ASIAN ART

Mr. **Yates**. Well, they will have to have their show and tells in their museums, I guess. What about Mr. Lawton? Is he still with you?

Mr. Lawton, hello. How is Freer doing?

Mr. **Lawton**. We are now part of the Center for Asian Art so it is Freer/Sackler.

Mr. **Yates**. You are no longer Freer without Sackler?

Mr. **Lawton**. We are. I think the public, and we, internally, will speak of a Freer Gallery and Sackler Gallery, but when we come before you or when we are preparing budgets, we refer to the Center for Asian Art.

Mr. **Yates**. Has that been augmented? You have been increased by $934,000. Is that adequate?

Mr. **Lawton**. If you give us the money we are requesting, it is adequate. If there is a cut, then serious questions arise.

Mr. **Yates**. What happened as a result of Gramm-Rudman?

Mr. **Lawton**. We had some cuts, a little over $100,000. Those are documented in the papers you have before you. The most important figures—and I can go through all of them if you would like—but the important figures are the delaying of hiring two staff members for the Center and delaying the letting of contracts for the design of the installation, of the Sackler Gallery.

Those are crucial, and it means we aren't as far along as we should be at this time.

Mr. **Yates**. Did you get your Japanese conservator?

Mr. **Lawton**. We did, yes.

FREER UNDERGROUND EXPANSION

Mr. **Yates**. Okay. That is fine.

Tell us about the basement problem.

Mr. **Lawton**. I hate to refer to it as a problem, but the design of the project we have continues.

Mr. YATES. Maybe from your side of the table, it was not a problem. From mine, it was because we couldn't get figures that everybody could agree on. Is there agreement on the figures now?

Mr. LAWTON. There is an agreement on the figure and I apologize for the uncertainty or the difference of opinions that were given to you last time. We are, in fact, submitting an entirely new design for that construction.

Mr. YATES. It is a good thing it was held up then, right?

Mr. LAWTON. No. It is an alternate design and will not be as successful as the original design. If we could get what we wanted, we would like the original design, but we obviously can't.

Mr. YATES. Tell us the difference.

Mr. LAWTON. The difference is that we give up exhibition space and when visitors come——

Mr. YATES. You mean in the basement?

Mr. LAWTON. Yes. So that when visitors come from the Sackler to the Freer, or vice versa, they will not have, we think, the aesthetic benefit of moving from one exhibition space into another exhibition space. You will go through a corridor, and take stairs or elevator, as you wish.

We also rearranged the storage space which is the crucial point of all this, storage space for the Freer Collection. We have moved it to the west end of the building. It is all right. It gives us storage space that we dearly need, but it is not the most logical or the most efficient way to get the space.

Mr. YATES. You don't happen to have diagrammatic interpretations of both, do you?

Mr. LAWTON. We do. Mr. Gilmore, I hope, brought them with him.

Mr. YATES. Right there.

Mr. LAWTON. That is a cross section of the existing Freer Gallery, Mr. Chairman.

Mr. GILMORE. We are standing on Jefferson Drive looking towards Independence Avenue. This is the existing building and this is our proposal. We are trying to show you with the darker areas below the yellow line where we are going down.

Mr. YATES. Is this the present plan or is this last year's plan?

Mr. GILMORE. This is the present plan.

Mr. YATES. Can you show us both as you proceed to show what the differences were?

Mr. GILMORE. Yes, sir. I can do that. In the earlier plan at the access level which is that pink line, the access level being the point where the connecting tunnel from the Quadrangle comes over from the Freer, these two drawings are not to the same scale. You can see the volume of space at the access level we were excavating is about 10,000 square feet.

Mr. YATES. Where is the entrance from Sackler?

Mr. GILMORE. Right here, sir. You can see, the volume of space we were excavating at a very, very low level. On the ground it is about 10,000 square feet.

Now, in the new design, we have reduced the quantity of space to be excavated at that level to about 1,700 square feet.

Mr. YATES. From 10,000 to 1,700?

Mr. Gilmore. Yes, sir. This is the space that cost about $335 a square foot. We are now developing our additional space above here at the sub-basement level where we think the costs will be more in the order of about $250 a square foot. It was very convenient in the earlier plan, as Tom Lawton was trying to describe to you, coming over from the Sackler Gallery, we could move staff and public in separate corridors into the access level.

We kept the collections separated. Other storage space was here. When we got over to this point above at the basement level and you rise up in an elevator, we were at the new conservation laboratory.

Now, where we only concentrate at this level to this extent, you have to come up the elevator to the basement level and you have to work your way across the building.

Mr. Yates. What is the difference in cost between the two?

Mr. Anderson. Half.

Mr. Yates. Only half? There is a difference of so much square footage.

Mr. Anderson. Only at the deepest point, Mr. Chairman. The new design goes less deep, but is much broader.

Mr. Yates. How many square feet will you have?

Mr. Gilmore. We are still producing about the same amount of square footage.

Mr. Yates. 10,000?

Mr. Gilmore. Yes, sir. We are doing it here so we don't have to underpin the building as much as being down at this lowest level. This is about 15.5 feet deeper in the ground. If you look at the next level up——

Mr. Yates. Do you encounter any additional difficulties because you go deeper in the ground?

Mr. Gilmore. Absolutely. In the construction of the Quadrangle Building, we were looking for no more than say a quarter inch of subsidence with the Castle and Freer and the Arts and Industries Building, and we did very, very well. We had some superficial cracking at the Freer, plaster.

We had a little bit more problem with the south tower of the Castle. The Arts and Industries Building was in good shape, because we are a greater distance away from it. Excavating directly underneath the Freer structure, again, we hope we are looking at maybe a quarter inch subsidence, more cracking in the building, but that is a risky business.

It is not foolproof. We think by not excavating as much space at the lowest level, the access level, concentrating on the sub-basement areas more, there is more safety and the underpinning is five to eight feet versus, say, 15 or 16 feet. It will cost less and there is less risk.

Mr. Yates. Okay.

Mr. Gilmore. This is the sub-basement area. The gray area here on the old plan, we were penetrating for the elevator and the stairwell. This is the courtyard area that we were hoping to pick up. We penetrated that and created two floors. Now in the new plan, we will excavate the courtyard to one level only down to the existing footings only so there is no underpinning involved here. In this area in the sub-basement, there is now only about a six-foot headroom, we are going to drop that five to eight feet, do some underpinning and other techniques.

There is about 10,000 square feet available here. We think it ought to cost us about $2.5 million now. We can provide the same quantity of space. It simply does not do it as well as Tom was trying to explain earlier.

Mr. **Yates**. But at half the cost.

Mr. **Gilmore**. It is half the cost.

Mr. **Yates**. Thank you very much. I think that shows me. Will you be having any storage space in Sackler?

Mr. **Lawton**. Yes, yes. There is storage space for the Sackler collection. It operates as a different museum. The storage space in the Sackler Gallery has to take care of the Sackler collection, but it also has to regularly be able to absorb touring exhibitions, special exhibitions, and exhibitions that might occupy 14,000 square feet.

That material has to arrive, be stored, worked on in-place in the galleries, so there has to be an elasticity, if you wish, to the use of the space that does not prevail in the Freer. In the Freer, we have our own collections. Those have to be stored and cared for, but we don't have to anticipate that kind of quick change over a regular period.

FREER WILL

Mr. **Adams**. I might remind you, under the terms of the Freer Will, objects can either move in or move out of the collection.

Mr. **Yates**. Now that you have Freer/Sackler, will you be moving in and out?

Mr. **Adams**. Out of the Sackler part.

Mr. **Yates**. I know you can do that, but you are one institution though, aren't you?

Are you violating the Will if you move a Chinese figurine from Mr. Lawton's Freer part to the Sackler part?

Mr. **Lawton**. If we exhibit it, we would be in violation, but we don't plan to do that.

Mr. **Yates**. It is part of the same structure now, isn't it?

Mr. **Lawton**. No. The Freer Gallery remains the Freer Gallery and its collection remains intact within that gallery.

CONSERVATION AT THE FREER GALLERY

Mr. **Yates**. Okay. All right. Anything you want to tell me, Tom, about your problems? You have all the money you need, obviously.

Mr. **Lawton**. If you approve the budget we have submitted, we wouldn't have any problems.

Mr. **Yates**. You have a full conservation staff so you don't have any conservation problems.

Mr. **Lawton**. If you approve the budget that we are requesting. This morning the entire conversation has had a thread running through it of conservation. You know our conservation studios and the whole point of getting this extra space in the basement of the Freer Gallery is to enable us to enlarge our conservation areas.

Mr. **Yates**. Are you going to hire additional conservators?

Mr. **Lawton**. Yes, we have a listing of our staff.

Mr. YATES. Can you get them? I thought you had to go to Japan for them.

Mr. LAWTON. That is one of our problems. We want to be able to train Americans to be able to do this, so we aren't always faced with the problem of going to China or Japan.

Mr. YATES. What do you mean you want to be able to do it? Why aren't you doing it now?

Mr. LAWTON. Because we don't have the space to do it. You have been in the room we have. It is occupied by the people who are doing the work.

Mr. YATES. You ought to put a portable up in your courtyard.

Mr. LAWTON. If you give us the money——

THE HIRSHHORN WILL

Mr. YATES. Thank you. What is next?

Hirshhorn? Hirshhorn, wherever you are. Mr. Demetrion?

Mr. DEMETRION. We are doing reasonably well. We are going to have some problems.

Mr. YATES. I didn't think you had any financial problems because of Mr. Hirshhorn's Will.

Mr. DEMETRION. Well, I had someone, a collector in Southern California, tell me recently that it was her impression that next to the Getty Museum, the Hirshhorn was the richest museum in the world. I had to inform her that the funds provided by the Congress for acquisitions were considerably less than many medium-sized museums around this Nation.

Mr. Hirshhorn's Will has not yet been settled. There are still problems with it. We have received the entire collection, however, but it appears that the funds that he had indicated in his Will may not be coming to us. I think perhaps Peter Powers can speak more directly to that.

Mr. YATES. Is it Mr. Powers' fault they are not coming to you?

Mr. DEMETRION. Absolutely not.

Mr. YATES. Mr. Powers, why aren't they coming to Mr. Demetrion?

Mr. POWERS. I think that is an overstatement. The estate is still in probate. There are still substantial tax questions over which we have no control at all. I think it is premature to say what the result will be.

We hope there will be a final accounting by the beginning of next year.

Mr. YATES. There are tax questions that are involved. Why does that enter into it insofar as gifts to the Hirshhorn are concerned?

Mr. POWERS. What it has to do with is the size of the entire estate. The structure of the Will is such that we don't, the Hirshhorn does not, have a bequest which comes ahead of everybody else. It comes at the end.

Mr. YATES. You mean because of special gifts to institutions?

Mr. POWERS. No, individuals.

Mr. YATES. And members of the family?

Mr. POWERS. Yes.

Mr. YATES. Well, that really isn't tax. That is a question of priorities, isn't it? Why is that a tax question?

TAX CREDITS

Mr. **Powers**. The tax on the whole estate is a problem which affects the amount left over at the end.

Mr. **Yates**. Well, you have an estate the Smithsonian may or may not get, the Neumann estate in Chicago. Interestingly, one of the questions that the Neumann's are concerned with is whether they can surrender some of their objects in payment of what the estate tax is likely to be. The French do that.

Mr. **Powers**. The English do it, as well.

Mr. **Yates**. I wonder if that would be a good idea for us to do, too. Do you want to think about it? What do you think, Mr. Demetrion?

Mr. **Demetrion**. I think it would be a wonderful idea. It is my understanding, it may have been done once or twice.

Mr. **Yates**. In this country?

Mr. **Demetrion**. I have heard that.

Mr. **Yates**. Do you know the instances?

Mr. **Powers**. We had special legislation in 1968 for the Lilly collection. I don't know if you remember the gold coins.

Mr. **Yates**. Oh, yes.

Mr. **Powers**. Which enabled them to be given to the National Museum as part of a tax credit to these estates. So, in effect, it had that same result. But that took special legislation.

Mr. **Yates**. I would think it would take special legislation to do it, but it would be at least an idea. Incidentally, who is negotiating with the Neumann's on this? Are you?

Mr. **Demetrion**. No, I am not.

Mr. **Yates**. Are you, Mr. Adams?

Mr. **Adams**. Mr. Anderson has been.

Mr. **Anderson**. Tom Freudenheim and I will be meeting with Mr. Neumann next Tuesday in New York City.

Mr. **Yates**. The National Gallery isn't in this picture then, is it? The Art Institute is in the picture, is it not?

Mr. **Anderson**. That is my understanding.

Mr. **Adams**. I don't think we should say whether the National Gallery is in the picture or not.

Mr. **Yates**. Technically that is Smithsonian, too, isn't it?

Mr. **Adams**. Under the broadest reading, but not under an operational reading.

BUDGET CUTS AT HIRSHHORN MUSEUM

Mr. **Yates**. Okay. Mr. Demetrion, what problems do you have? The Gramm-Rudman problems are itemized, it does not say very much.

It says you will not fill current vacancies in the amount of $84,000, defer contractual services for exhibition scheduled for 1987 of $50,000.

Mr. **Demetrion**. That is for the 4.3 percent for the current fiscal year.

Mr. **Yates**. Okay. What do you mean by contractual services? You mean for hanging it or something like that?

Mr. **Demetrion**. No. We are participating in two exhibitions, one from the Fort Worth Art Museum for an exhibition of sculptures by Nancy Graves, and an exhibition of paintings by Morris Louis, which the Museum of Modern Art is organizing and we have to pay fees for those exhibitions.

ACQUISITION PROGRAM AT HIRSHHORN MUSEUM

Mr. Yates. Well, what about acquisitions? Do you have any money for acquisitions?

Mr. Demetrion. We do have some money, but like all art museums, the amount is really quite insufficient. It is a situation where we find ourselves in competition with other national museums of modern and contemporary art across the world and the funding which we receive tends to be ten percent or in the case of the Beaubourg in France, five percent of what those national museums receive is for the purchase of the 20th-century art.

So we are in a very bad position in that respect. We do have some funds available from the deaccessioning program that we have entered into and will continue to work at over the years, and we still have some funds from Regent's money which was provided to us about four years ago.

Mr. Yates. Are you interested in buying anything specifically?

Is there anything pending that you need money for, a pending purchase?

Mr. Demetrion. In the area of art, so much depends upon availability of particular objects at particular times. Recently, I went into New York to look at a painting by Barnet Newman, a very important painting, which I had known from some years before which was available with a very hefty asking price of $1.4 million.

When I saw the painting, the condition of it appeared to be such that I didn't feel I wished to pursue it. But had its condition been sound, we certainly would have tried to acquire it. But that would have wiped out all of the Regent's money that we have. I could negotiate the price down a bit, but it would have left us without any funds for additional purchases.

With a museum as heavily involved in the acquisition of contemporary art as we are, it behooves us to keep on top of things as much as possible with what new and young artists are doing as well as trying to fill in with some of the older artists.

Because of budgetary constraints and lack of funds, we have pretty much, though not completely, but pretty much given up the idea of trying to acquire works prior to World War II because of the cost of such works unless we can get them from the Neumann collection, for example, or some other such collection.

Mr. Yates. Appraisals become very important there, don't they?

Mr. Demetrion. Indeed.

CONSERVATION AT HIRSHHORN MUSEUM

Mr. Yates. Do you have a conservation problem?

Mr. Demetrion. I don't know if our problem is any greater or worse than other museums. It has been heightened recently by the acquisition of the 6,000 objects from Mr. Hirshhorn's bequest which have come to the museum. They need to be processed and looked at, which is an ongoing situation.

Mr. Yates. I thought I read somewhere that the character or the quality of the surface of contemporary art paintings is so poor because of the kind of materials that contemporary artists were using that they are flaking off, they are cracking, they are breaking. That presents a real problem to those who own such paintings.

Is that true of the paintings that you own?

Mr. Demetrion. That is correct in many instances. It is not true of all artists, some of whom paint in traditional methods and techniques, but many artists, especially those who are more experimental, certainly do work with very unusual materials in many cases and we do have problems.

Mr. Yates. How big a conservation department do you have?

Mr. Demetrion. Five full-time conservators and one part-time conservator.

Mr. Yates. I guess you keep them busy, don't you?

Mr. Demetrion. We do.

Mr. Yates. Anything else you want to tell us?

Mr. Demetrion. No. I would just like to reiterate, in general, what my colleagues have indicated about the seriousness of GRH for the future because I think it will affect all of us in ways which could also be detrimental to the public.

BUDGET CUTS AT AIR AND SPACE MUSEUM

Mr. Yates. Thank you very much.

Air and Space, Mr. Boyne.

Mr. Boyne. Hi, Mr. Chairman. How are you?

Mr. Yates. Tell us about Air and Space. You tell us in your Air and Space Museum budget justification, you are not going to fill the current vacancies for $97,600, reduce research by $15,000 and cancel the purchase of computer equipment for research and records management.

You join Mr. Shapiro in that respect, don't you?

Mr. Boyne. Yes.

Mr. Yates. You are going to have to reduce a videodisc project for $15,000 and new equipment for technology of $20,000, delay collections and restoration at the Garber facility. What is the Garber facility?

Mr. Boyne. That is our Suitland facility, sir, where we restore aircraft.

Mr. Yates. How did you happen to name it Garber?

Mr. Boyne. Paul Garber mentioned acquiring a collection and on his 60th anniversary with the institution and his 82nd birthday, we dedicated it to him.

Mr. Yates. The installation of a fire suppression system or 8 millimeter film and slide projector. That doesn't make sense, does it?

Mr. Boyne. It is a hard decision to make.

Mr. Yates. I hate to see delays in purchase of fire suppression systems. Reduce exhibitions for $53,000, reduce the number of public information brochures, reduce travel by $27,000, reduce supplies by $15,000, and reduce audio-visual support for exhibitions by $20,000. That is just some of the results, right?

Mr. Boyne. Yes, sir. I certainly second the remarks of my colleagues who preceded me. They alluded toward the more dramatic effects of future years, something that is probably implicit, but I would like to say, if those large cuts occur, there will have to be some kind of supplementary legislation to permit you to take the necessary personnel action to effect those cuts.

Otherwise, you simply are unable to remove people and you have no funds remaining that you can cut and it does present a problem. Our computer things effect us particularly because we are somewhat in the advanced field. I would like to have shown and told you some of those things, but they were larger than we were able to display.

They deal with collections management and their solutions. They also, if I may interject a somewhat optimistic note, offer an opportunity for a flow of funds into the museum. They are developed from private funds and we have a patent pending on them and there is a stream of funds that may be coming in.

So I think all of us recognize that there is another element coming into the museum directorship, and that is an aspect of the entrepreneurial in which you have to make your own funds if they is not going to be available here and we are going to try to do that.

CONSERVATION AT AIR AND SPACE MUSEUM

Mr. YATES. Okay. Do you have to worry about conservation?

Mr. BOYNE. Yes. Our objects differ in that we have fewer objects, but they are much larger. Many of them are made of complex and diverse materials.

Many of the space objects are made of very exotic materials and these all require special conservation efforts. We try to do much of it internally. We also are able to ask the industry in those special cases where exotic metals are involved, like beryllium, to help us with it.

We are trying to establish our own conservation people in those specialized fields because they don't really exist elsewhere.

IMAX FILMS AT NASM

Mr. YATES. Tell us about the theater you have. You have some of the most beautiful films I have ever seen there. You have some kind of arrangement with the IMAX Company.

Mr. BOYNE. Yes, sir. The IMAX Company donated the equipment originally to the museum when it began and it was a part of the new concept of the museum to show the large format film. At that time there were about eight IMAX Theaters in the world.

There are about 45 and there will be 60 next year. We like to think part of it, at least, is due to the films that were shown at the Air and Space Museum. We have a new film coming on June 19, "On the Wing." These films also relate to the entrepreneurial side of museum management.

On the last few films we have had contracts that enabled us to participate in the profits that have been created at other museums also. It is a small stream of funds, but it is an effort to look downstream and derive from the efforts of the curators and the people some return ultimately.

Mr. YATES. What else should I be asking you?

Mr. BOYNE. I would just like to reiterate, again, we are all concerned about collection management. We have some things that might intrigue you. I could either bring them here to show you or it would be better to come back down and look at them.

NASM MUSEUM SHOPS

Mr. **Yates**. I will not subject you to carrying them here. How is your shop doing?

Mr. **Boyne**. It is doing quite well. It has set a record.

Mr. **Yates**. You have more people than the other museums, don't you?

Mr. **Boyne**. Yes, sir. I was told by Sam Greenberg, the able——

Mr. **Yates**. I hate to say this, Roger, but I am told that they do.

Mr. **Boyne**. They set a record in February, a very slow month, one of the shops did, and continues almost every month to expand because of the very good merchandizing efforts that Sam Greenberg and some other people are doing.

Mr. **Yates**. When are you going to get a shop as large as Mr. Kennedy's?

Mr. **Boyne**. We have something here in our mind which, of course, is in no one else's mind, that ultimately we would do what Mr. Kennedy did and expand the shops to take advantage of the demand.

Mr. **Yates**. If Gramm-Rudman continues, I think in order to balance your books, you are going to have to increase your shops, aren't you?

Mr. **Boyne**. Yes, sir.

AIR & SPACE MAGAZINE

Mr. **Yates**. You have a new magazine coming out, don't you?

Mr. **Boyne**. Yes, sir.

Mr. **Yates**. I wish you the best of luck on that magazine. I hope you can become as profitable as the Smithsonian magazine.

Mr. **Boyne**. We weren't thinking about that, of course, but we would like to have it. Just as a final note, there are alot of things that can be done and one of the things we are going to do is put in our own pay phones and collect the money from those as a pilot experiment for the Smithsonian.

Mr. **Yates**. What does that mean "put in your own pay phones"—for your employees?

Mr. **Boyne**. No. You can own phones now under the new, rather unstructured system. You put in your own phones and get the proceeds from them. There are a number of things we hope to do that will offset; however, if the next Gramm-Rudman cut is at a level they project, it is really sort of shut-up-shop for all practical purposes.

BUDGET CUTS AT AMERICAN ART MUSEUM

Mr. **Yates**. Okay. Thank you very much, Mr. Boyne.

We haven't done American Art yet.

The National Museum for American Art, Mr. Eldredge.

Mr. **Eldredge**. Good afternoon.

Mr. **Yates**. You have a wonderful collection. Gramm-Rudman would cut your acquisitions by a hundred thousand dollars. Why you, more than the others?

Mr. **Eldredge**. We had planned over several years to bolster our acquisition funds and, through reprogramming various activities, had this year anticipated significant enhancement of our acquisition capacity, just in time to have it wiped out by the Gramm-Rudman legislation.

That plan would have provided an increase from $250,000 to $350,000 a year. As it is we are back where we started now.

Mr. **Yates**. You want to buy computer equipment, too, for $13,000.

Mr. **Eldredge**. Indeed, sir.

Mr. **Yates**. And benches for public galleries. How come you put computer equipment and benches together?

Mr. **Eldredge**. It is the same object category. They serve different purposes obviously.

Mr. **Anderson**. It might bear repeating, Mr. Chairman, that there are reasonably few things that a director, faced with a short-term cut, can do to achieve savings. You can't, as Mr. Boyne pointed out, simply fire your staff. That is a long, involved process for which sometimes the expenses in the near-term increase rather than go away. You are left with a narrow range of things you can do.

You can turn off your exhibit program. You can stop acquiring things for the collections or cut "Other Objects" of expense: contracts, equipment. I think that is why the list before you is rather repetitive in matters having to do with exhibitions, computers, equipment, things of that sort.

Mr. **Yates**. The problems are all the same in that respect, aren't they? Do you have any other problems that are not listed in this summary that has been given to the committee that we ought to know about?

Mr. **Eldredge**. As for the summary of the 1986 situation that you have before you, what concerns my colleagues—and I think all of us—is how you go about dismantling a dream. You work over a period of time to build a base for national collections and nationally important research activities and finally, in our case, reach the threshold as a significant center for the study of America's visual history. Ultimately, we see ahead of us, in the worst case scenario, the undoing of a decade of work, or several decades of work.

That, in general, is the situation which confronts us. With specific reference to the Museum of American Art, the research and dependence upon computers and automation of research in which we have heretofore played a leadership role in the profession is now threatened by the punitive impacts of cuts over the last several years and those projected for the future.

The unique data banks, for instance, that provide a census to art historians and curators and researchers around the globe relating to American paintings—and a new data bank paralleling it relating to American sculpture—will suffer. We will now be unable to continue to provide that kind of unique resource.

Mr. **Yates**. Do you have any artifacts or collection items that have been offered to you that you can't buy because of cutbacks?

Mr. Eldredge. Yes, indeed. We have been fortunate in some cases to find private funds, but in many cases, we have had to forgo opportunities because of the cutback of $100,000 in the funds. We have had to pass, for instance, on a major Georgia O'Keeffe painting, a water color, just within the last fortnight.

I have paintings on my easel I know I now must send back to the dealers because I haven't the means, post-Gramm-Rudman, to acquire them.

Mr. Yates. What kind, other than Georgia O'Keeffe?

Mr. Eldredge. Specifically, there are paintings offered to us, of which we would like to take advantage, that range—I am not saying we would do all of this—but they range from works by Arthur Dove to the contemporary sculptor, Brian Hunt.

Those, alas, will probably not find a home at the Smithsonian, at least not in my shop.

Mr. Yates. No way of getting donations?

Mr. Eldredge. We have gotten healthy donations that enabled us to acquire, for instance, a major Thomas Hart Benton mural and Thomas Eakins' last great nude composition, both of which came into the collection over the last few months.

Mr. Yates. How do you get a mural? I thought murals were painted on a wall.

Mr. Eldredge. This was a mural that was painted on a canvas and then hung on a wall, using the term loosely. But it came out of a department store, and the owner contributed three quarters of the million dollar value.

Mr. Yates. Good. Anything else the committee should know?

Mr. Eldredge. I would simply again, at the risk of redundancy, repeat what has been said by my colleagues before me.

BUDGET CUTS AT ZOOLOGICAL PARK

Mr. Yates. Thank you very much.

The zoo, sir.

Tell us about your acquisitions. Are you acquiring any tigers or leopards?

Mr. Robinson. We are fortunate in that respect.

Mr. Yates. Did you get the big bear from Mr. Shapiro?

Mr. Robinson. Our collection is a reproducing collection and that gives us some offspring that we can trade.

Mr. Yates. Doesn't the big bear have a little bear?

Mr. Robinson. As a matter of fact, we have two little bears. Our spectacle bears had two babies this spring. Twins are unusual. They are due out anytime now from the den and they will be charming. I invite you to see those, and at least five other major births we have had this spring.

Mr. Yates. Unfortunately, none of the pandas.

Mr. Robinson. None of the pandas.

Mr. Yates. Are you still trying to get a panda?

Mr. Robinson. We are still trying very, very hard indeed.

Mr. Yates. Why don't you trade Ling-Ling in for another panda?

Mr. Robinson. Well, the fault may not be on the distaff half of the pair.

Mr. Yates. The males like to think so.

Mr. **Robinson**. There is an important point I should make, sir, that our collection unlike any other collection anywhere needs constant day-to-day conservation and, in fact, you can leave an insect collection for a year and there will be deterioration, but you can't leave our collection for more than a day without something dying.

We are being hurt. The only way we can meet our cut, with a 86 percent personnel budget, is not to replace keepers as they retire and that is a very sad state of affairs.

Mr. **Yates**. You have a big cut, $496,000.

Mr. **Robinson**. Right. This highlights something that Roger said and several other people have said. It is an extremely difficult thing. I know you know it, but it is worth reiterating and that is, when you do a RIF, you can't decide who ultimately goes.

If we wanted to RIF a bear keeper because we have plenty of keepers in the bear line, it might finish up with an elephant keeper actually going and you can't have less than two elephant keepers on duty at any one time because it is an extremely dangerous occupation.

Mr. **Yates**. Are the elephants more dangerous than other animals?

Mr. **Robinson**. More keepers die in the United States zoos by accidents related to elephants than anything else. They tend to lean against somebody and it is really no laughing matter. Next year the proposed cuts could be a disaster. We would have to close exhibits. There is no way we could cut ten percent of a personnel budget, which is over 80% our total budget and then cut the food budget on top of that which is uncuttable without cutting down the collection.

Mr. **Yates**. You can't put any of your animals on diets. They are on special diets now, aren't they?

Mr. **Robinson**. They are, indeed. We try to keep most of them slim and active.

Mr. **Yates**. Do you lose any animals from disease?

Mr. **Robinson**. Yes. We have a very good health record, the best veterinarians, I believe, in the whole United States, including Chicago. But, of course, there are all kinds of degenerative diseases and accidents.

Mr. **Yates**. I wonder about special plagues.

Mr. **Robinson**. We have problems with some avian diseases because, during the winter, thousands of wild birds fly into our bird exhibits to free load on the food that we give to the captive animals.

Mr. **Yates**. Your statement here does not tell us very much. It just tells us you are going to take it all out in personnel. You don't have maintenance problems?

Mr. **Robinson**. Of course, this is a solution which would work for one year only and will cause deterioration in succeeding years if the cuts continue.

Mr. **Yates**. What about your walks and fences?

Mr. **Robinson**. We have over seven miles of those. Those are going to get pitted and we are going to have problems there. We are going to have problems with air conditioning. We are going to have problems with keepers and the only ultimate solution next year, if this is repeated, we are going to have to close exhibits, remove animals from the collection and wind it down.

While other places are concerned about conserving extinct species, we are concerned with savings species from extinction and, I think, we have a role in that respect that is not replicated anywhere else in the world.

We just saved two species this year from extinction, two birds from the Island of Guam are gone from the Island, but we are breeding them successfully at Front Royal.

CALIFORNIA CONDOR

Mr. Yates. Perhaps we ought to move the California condor into your zoo.

Mr. Robinson. No comment, sir.

Mr. Yates. Could you save the condor, do you think?

Mr. Robinson. I would not like to be on record in front of my colleagues in the California zoo or the California wildlife movement, but there is no doubt that the conflict between the various interests there has put the condor at risk.

Mr. Yates. Really?

Mr. Robinson. Yes. There are two sides.

Mr. Yates. What should be done with the condor? I have that problem in the Fish and Wildlife Service as to what to do about preserving the condor's life. I see by the papers that they lost a new condor—at least an egg was smashed.

What could you do they can't do out there? Of course, the conflicting interests would be all around you then, wouldn't they?

Mr. Robinson. Probably not.

Mr. Yates. You have facilities for the condor?

Mr. Robinson. At this stage, I think the situation is completely irremediable.

Mr. Yates. You mean it is going to be extinct?

Mr. Robinson. Yes, and also the black footed ferret has reached the stage where the population is so low that even if we got them now, we probably couldn't preserve it. One of the outstanding results of our research has been to show that if you get down to small populations, the genetic variability in a tiny population isn't sufficient to sustain a captive population when you start a breeding program.

If you get down to five or six pairs, it is just too much inbreeding and the whole viability of the species is at risk. Our statistics have been able to show that for the first time, that when you inbreed, the families have a shorter life cycle, there are smaller numbers born, and when you get down to five or six condors, you may be dealing with a very closely related population and it may be too late in that sense.

TROPICAL RAIN FOREST EXHIBIT

Mr. Yates. Anything else you want to tell us besides reiterating what your colleagues have said?

Mr. Robinson. I would like to add something.

I think unarguably, the most vital environmental problem in the world today is the fate of tropical rain forests which makes the

Smithsonian's research in that area a major, important international activity.

But we would also like to bring the fate of the rain forest to the people visiting the National Zoo by creating a rain forest exhibit. There is a beautiful one at Brookfield and a nice one at the Bronx zoo. We had in our fiscal year 1987 budget a request to build the first Washington rain forest exhibit which would have been a remarkable piece of education for rain forest conservation.

That was removed from our construction budget.

Mr. YATES. Perhaps we can find funds. How much was it? We can find funds in the Forest Service budget.

Mr. ROBINSON. We had requested $2.5 million, sir, just a trivial amount.

Mr. YATES. We will take it out of the road construction funding for the Forest Service.

All right. Thank you very much.

BUDGET CUTS AT ANACOSTIA NEIGHBORHOOD MUSEUM

Who else do we have?

Mr. Kinard in Anacostia.

Mr. KINARD. Good afternoon, Mr. Chairman.

Mr. YATES. Do you have any problems or didn't they cut you at all?

Mr. KINARD. Mr. Chairman, being small, we were able to absorb the 4.3 percent cut this year through salary lapse.

Mr. YATES. What didn't they give you because you are so small?

Mr. KINARD. I didn't have anything to request because I was so small this year. As you know, Mr. Chairman——

Mr. YATES. What about next year?

Mr. KINARD. We have inherited a new building in Anacostia that we are beginning to program for and we will open it next year. I would only say, Mr. Chairman, for the moment we seem to be in a satisfactory condition.

I would say about Gramm-Rudman that the emotional upheaval new cuts may have on the Smithsonian community as a family is causing an animalistic thing to occur quite naturally as you would suggest, that some of us then begin to look at others of us to say that perhaps you are expendable.

I think that as an Institution, or as a family, this cuts very deep—as Charlie Eldredge has said—into an Institution that has been building over the years, for some of us to look at other programs and say they are expendable. I hate to see this occurring in this venerable, noble Institution.

That is the only thing I have to say.

Mr. YATES. That is a very good statement. I would hate to see it happen, too.

BUDGET CUTS AT COOPER-HEWITT

Mr. YATES. Mr. Pfister, tell us about your problems. You are building a new museum, aren't you?

Mr. PFISTER. We hope to.

Mr. YATES. You are in the midst of private fund raising. How are you doing?

Mr. **Pfister**. We have roughly over $3.2 million in the fund. The campaign has not yet been publicly announced in New York. A national committee is being formed, and there is an office in place on site specializing in just that project.

Mr. **Yates**. You are eliminating one position in exhibition design and production and reducing maintenance by $10,500. You don't have much maintenance. You are a new building, aren't you?

Mr. **Pfister**. No, sir.

Mr. **Yates**. You are new in the sense you were totally rehabilitated, at least I thought you were when I went up and saw you.

Mr. **Pfister**. That is correct.

Mr. **Yates**. It is a beautiful home.

Mr. **Pfister**. The doors were opened in 1976, and we have been functioning since then without any major capital improvements. This is our tenth anniversary.

Mr. **Yates**. A beautiful museum. Any problems that haven't been reflected by your colleagues' statements?

Mr. **Pfister**. I wanted to say briefly, that Mrs. Taylor has mentioned on at least one occasion that the world turned upside down with respect to Gramm-Rudman-Hollings. Forty thousand dollars out of a fraction of what is our total operational cost is a reduction that we were able to deal with on paper at this point. All the questions you have been raising with respect to the other institutional collections have a kind of different impact at the Cooper-Hewitt. We have just two full-time Federal people.

Professional conservators have been provided for solely with private funds. They are only able to chip away, and have been and only will be able to chip away, at the edges of the enormous collections.

We do have asbestos on site, and also fiberglass particles blowing around every day due to the deterioration of duct linings in our air handling system and the remedy of that situation is pending the design of the totally improved facility, which is one reason why we are where we are with the capital improvement program.

With respect to your continuing questions on collection acquisitions, not one Federal dime has yet been spent for acquisitions of collections. We are trying to be more aggressive and thoughtful about that, although it is hard to find time to go through the deaccession process. We do it as we can and turn those into private funds for the continuation of our collection-building collection effort.

Our collection-building and conservation efforts are limited by the restruction of the physical plant. We have collections we might preserve, but there is no point in doing it at this time because we can't bring them back into a suitable environment for display or storage.

I noted with great interest your observations on the national museums now finding themselves faced with the same constraints that private museums around the country have faced for some time. Your query about admission fees—we are awaiting approval for a request for a fifty percent increase in our own admission fee from $2 to $3. Many of those problems faced by private museums have been faced by us.

As far as our special project fund, that is another new wrinkle. It is a little difficult to go out and continue to obtain major gifts for an organization which appears to be in a shut down or cut back or survival mode, and those gifts and grants and developed fund activities are relatively more important for us because they are on the private side of our house and provide up to 75 percent of our operations in any given year.

Specifically, there is a Gramm-Rudman impact already on the capital campaign with respect to the scheduling of the campaign and likely availability of a Federal appropriation prior to 1991, and we are still considering what that may mean for us over the next four or five years. It means a different schedule than we were talking about last year.

Mr. Yates. My notes indicate you may have been the beneficiary of John Lennon's Rolls Royce.

Mr. Pfister. Yes.

Mr. Yates. Did you get money from that?

Mr. Pfister. Yes, we did. We brought a record price at public auction in excess of $2 million. It was an extraordinary gift.

Mr. Yates. All of that went to Cooper-Hewitt?

Mr. Pfister. That is a good portion of what is there with respect to campaigning. It was an unrestricted gift for the museum's use, and it is part of what we are using now for our campaign.

Mr. Yates. Anything else you would like to tell us?

Mr. Pfister. No, sir. I think that covers the bases.

BUDGET CUTS AT ARCHIVES OF AMERICAN ART

Mr. Yates. Let's see whom I haven't touched here. The Archives of American Art. Mr. Murray. Are you cut back?

Mr. Murray. Yes, sir, we are. We have lost $39,000, which for small activities, such as the Archives, is a major blow.

Mr. Yates. You can't raise them from private funds?

Mr. Murray. As you see on the budget detailing, the Archives does a relatively good job, I think, of matching private and public funds, and I think that we have now reached a threshold in our ability to raise additional private funds for operating. And our traditional notion that Federal funds provides us a stable base is certainly no longer valid.

I do not think that we can raise additional trust funds in order to continue the operations cut by the Federal sum. We were able only to cover the $39,000 cut by the use of lapsed personnel funds which, thanks to your good judgment and support for the Archives, came to us through additional positions and conservation funds in this year's budget. The lapsed funds came from those positions not being filled until now. We are now recruiting.

We also had to cut some money out of our filming and reproduction budget. We have some collections we acquired from around the country which will not be filmed and available to scholars.

We also had to cut money out of our computer budget, which is a very important part of our operation since we are now changing from a hand system to a computerized system of cataloguing and inventory control. I do not know what will happen next year if the Gramm-Rudman-Hollings Act continues in this way. We will not have the personnel funds to cover the cuts, and the only additional funds we would be able to cut would be deeply cutting into program funds for distribution of material, funds that we supply for travel for each of our directors, and probably into the conservation funds that you so carefully guided through Congress for us.

Our conservation program is just now beginning. That is the first funding that we have had, and cutting into that would be disastrous.

Mr. **Yates**. Where are you located now?

Mr. **Murray**. We have regional offices and offices here in Washington. This is our main office.

Mr. **Yates**. Weren't you given a new building? Didn't someone want to give you a new office?

Mr. **Murray**. Our New York office will be moving into the Equitable Center. That is through the care shown by Ben Holloway, one of our trustees.

BUDGET CUTS AT SITES

Mr. **Yates**. Thank you.

Ms. Loar, do you want to tell us about SITES?

Ms. **Loar**. The numbers won't sound as impressive as some of those from my colleagues. The request is three-tenths of one percent of the total request.

Mr. **Yates**. How much do you make for the Smithsonian out of your efforts? Do you operate at a loss or profit?

Ms. **Loar**. At a loss, about $300,000 a year of private trust funds. That, coupled with the Federal support, provides a subsidy of about $700,000. Additional funds come to us from museum participation fees, grants and contracts and outside foundation support.

Mr. **Yates**. Do you lose any of your objects as you lend them around?

Ms. **Loar**. Very occasional. The losses over the last three years are minuscule. I think there have been only five thefts, and four of them were shopping bags from a graphic design show.

Mr. **Yates**. That is not too bad. Are you insured?

Ms. **Loar**. Yes, we are. The value of the objects we tour annually is about $50 million, and most of that is covered under the Smithsonian's insurance policy unless it is a major international show, which may be indemnified through the U.S. Indemnification program.

Mr. **Yates**. Does the Smithsonian have an insurance policy?

Mr. **Anderson**. Yes, indeed.

Mr. **Yates**. With a private company?

Mr. **Anderson**. Yes.

Mr. **Yates**. For what?

Mr. **Anderson**. For "all risk" coverage of objects we have borrowed from other people or occasionally objects we are lending to other people, if our coverage is better than theirs would be.

Mr. **Yates**. I wasn't aware of that. I thought you were a Federal institution for that sort of——

Mr. **Anderson**. We do not have outside underwriting on our own objects that are in our own care. Our things under our roofs we conceptually self-insure.

Mr. **Yates**. What else did you want to tell us?

Ms. **Loar**. Our immediate Gramm-Rudman cuts amount to about $16,000, which we are dealing with by delaying the hiring of the head of education, which is a blow to us because it involves that salary and some educational supplies. We pride ourselves in being able to integrate scholarship and education. The educational aspects of our exhibitions will suffer, and this is what we feel makes exhibitions successful and more meaningful to the public.

In terms of 1987 cuts, it will hit the core of our program and hinder our registrarial operations. This is a serious problem for the traveling exhibition service. Some Federal funds are spent on the head registrar's salary and for travel to get to various locations for mid-term inspection and condition reports on Smithsonian objects and other objects in our care.

If we begin to be perceived as though we don't care about conservation and safety, I think it could be detrimental to the credibility of the institution generally.

Mr. **Yates**. I hate to hear such negative testimony. Don't misunderstand me, I hate to see what is happening to a national institution which I think is one of the great treasures of—or more than one of the great treasures of our country, faced with the possibility of deterioration and degradation. I don't know what we can do about it.

VALUE OF THE COLLECTIONS

Insurance we just talked about. What is the value of your objects? What is the value of all these artifacts that you have, 100 million artifacts? I don't know how valuable your collection of insects is, for example, but when you think of the paintings——

Mr. **Adams**. I do know in a calculation made not long ago, the value of the collections in the Harvard Art Museums, including the Fogg Museum is greater than the endowment of the entire Harvard University.

Mr. **Yates**. How much does Harvard have——

Mr. **Shapiro**. Two and a half billion dollars.

Mr. **Yates**. I remember when we acquired the Hirshhorn collection, Mr. Blitzer brought in an inventory of the objects and probably said "This is worth $75 million." That was, what, 15 years ago? And I think they have gone up in value since then.

Mr. Demetrion, what would you estimate the objects' value to be?

Mr. **Demetrion**. It would be difficult to hazard a guess. I know in 1982, the bequest of art objects to the Hirshhorn was valued at $13 million. Those objects are of less importance than the original 6,000 objects which came to the Smithsonian in 1966. It would be very difficult to hazard a guess. The Institution is self insured. Each time we lend an object to another institution, we do research and find out what that particular object or objects are worth, and assign those values to them.

Mr. **Adams**. I would suggest the whole concept of value is a very difficult one to apply to many of our collections. Take the systematic collections in Natural History, the importance is there are more than 30 million insects in those collections. You wouldn't get an impression of the real value of that collection if you took it insect by insect, but only in its totality as a sort of fundamental source of knowledge.

COLLECTIONS INVENTORY AT AMERICAN HISTORY

Mr. YATES. Well, we have to take care of you. We have to give you the funds to take care of them, and that is a troublesome situation.

What Mr. Kennedy said pigued my interest, too. What is the status of the inventory? I thought we had given you enough money for the inventory.

Mr. ANDERSON. It is more like a moving picture, I think, than a snapshot, Mr. Chairman. Additional objects continue to be acquired, objects are lent, objects are borrowed. That all entails information that needs to be captured in a timely way and updated on the computer. So when you move something from storage room A to storage room B or from room B to exhibit or from exhibit to the conservation laboratory, if you are to assure yourself of adequate inventory control, you ought to record each of those changes in location as well.

We are not yet to the place where we can do that in a timely fashion with on-line computer assistance. Instead we are still in a "batch mode" capturing this information.

Mr. YATES. When are you going to bring it up to date?

Mr. ANDERSON. We are attempting to, and it is with great regret on my part many of the cuts, of necessity, this year have been in computer equipment, because many of the computer applications in the museums around the mall are precisely for the purpose of gaining better automated control over the objects we manage.

Mr. YATES. You have asked for $1.145 million. Is that adequate?

Mr. ANDERSON. With regard to——

Mr. YATES. The collections management inventory problem.

Mr. ANDERSON. It will get us back on track if we recoup the moneys that are cut out this year because of Gramm-Rudman and there are no further cuts next year.

Mr. YATES. We have been sitting for a little over three hours now. I think that we will submit some questions to you, Mr. Adams. What I wanted to do was to have the Museum Directors and the staff people tell their story so they won't have to come back and have another day. We will give you the questions, and we will review some of the answers, and if we want to set up another date, we will do that.

We will adjourn now, subject to further information. We thank you very much.

[Questions and answers submitted for the record follow:]

Smithsonian Institution

Additional Committee Questions

Smithsonian Reorganization

Question: The Smithsonian is planning a major reorganization in mid-1986, with the new position of Assistant Secretary for Museums, replacing the A/S's for History and Art and Museum Programs; and a new position of Assistant Secretary of Research, replacing the A/S for Science. Why is the reorganization being carried out? What do you expect to be the results?

Answer: The reorganization is intended to focus managerial attention on important aspects of Smithsonian activities which have not, in themselves, been subject to coordinated oversight in recent years. We would expect the result to be strengthened programs in research and in all aspects of museum management.

Development Restructuring

Question: Another change involves a redefinition of the development function, to allow the bureaus and offices to exercise more direct fund-raising efforts in coordination with the Office of Membership and Development. What is the reason for this change? What will it involve?

Answer: Compared to many colleges, universities, private museums, or similar educational or cultural organizations, the Smithsonian has traditionally been less active in outside fund-raising. During a period of diminishing expectations for increased Federal funding, it seemed prudent to us to review our activities in the field of development. The result, after securing expert outside advice, is the partial decentralization of fund-raising responsibilities within the Smithsonian. We hope additional gift and grant funds will be forthcoming.

Trust Fund Revenue

Question: The budget notes that gross revenues from the Trust funds are expected to continue to grow, and reach $170 million in FY 1986, with net income of about $36 million. This would only be an increase in gross revenues of about 7.7% over 1985; and would actually be a decrease in net of about 6.9%. By comparison, gross revenues in FY 1985 increased over 1984 by almost 20%, and net increased over 10%. Why are you projecting the lower rate of growth in gross revenues, and the decline in net, for FY 1986?

Answer: The comparison of FY 1985 over FY 1984 is a comparison of audited actuals. The figures presented in the budget justification for FY 1986 are projections based on two months operating results. These are no doubt somewhat conservative. It must be noted that the Institution experienced an extraordinary growth in revenues during 1984 due to the opening of the new American History Museum Shop. Also the SI Press had unprecedented success with several of its publications. This kind of extraordinary growth cannot be anticipated.

With respect to expense, there are a number of one-time costs included in the FY 1986 projections that will reduce available net income. Principal among these expenditures are the start-up costs for Air & Space magazine ($1.8 million), long needed expansion of the Institution's warehouse facilities for auxiliary activities, and further renovations, although minor, of museum shops and restaurants to better serve the public.

Question: Do you expect this trend to continue? If so, do you foresee the share of your funding represented by non-Federal dollars declining, while the Federal share increases?

Answer: As detailed in the answer to the previous question, the Institution does not expect the "trend" to continue. The lower net revenues currently projected for FY 1986 reflects management's decision to invest in the future growth of auxiliary enterprises, a process long delayed; and to enhance the public outreach and diffusion of knowledge responsibilities of the Smithsonian by the establishment of Air & Space magazine, hopefully with some future profit to the Institution.

PCB's in Electrical Transformers

Question: EPA has issued a new regulation requiring replacement of all transformers containing PCB's by 1990. $475,000 is included in the 1987 budget to begin the replacement. Why had the situation with the leaking PCB's not come to the attention of those in charge in the Smithsonian before last summer's events? Were those involved not aware of the hazardous nature of this situation?

Answer: The Smithsonian has been keenly aware of the PCB regulations under the Toxic Substance Control Act (TSCA) since 1976, and the numerous changes to this Act that have been produced through 1985. During this period, OPlantS has been inspecting our transformers for leaks on a continuous basis three times a day, seven days a week. Between 1976 and 1983 expenditures in excess of $100,000 have been made with outside contractors to repair leaks discovered as a result of these inspections. Additionally, hundreds of repairs to correct leaks have been made by Smithsonian electricians. The EPA inspection in July 1985 cited the Smithsonian for not maintaining proper records to support its repair activities. The EPA report noted that it was apparent that the Smithsonian was aware of leaks in their PCB transformers and had been taking appropriate steps to repair these leaks, but that the record keeping procedures for tracking these leaks and subsequent repairs were not in accordance with EPA guidelines. This deficiency has been corrected. It is important to note that the EPA non-compliance report stated that none of the deficiencies noted posed any imminent danger to Smithsonian buildings, artifacts, staff or the public.

Question: Have all necessary repairs been completed on the 57 transformers in Smithsonian buildings? How much did the repairs cost? What was the source of funds?

Answer: As of February 1986, all repairs to the 57 transformers have been completed at a cost of $97,000. The funds for these repairs were obtained from R&R funds available in each building for utility system repairs and improvements.

Question: What is the status of the employee who initially reported the situation?

Answer: The employee who initially reported the situation to the D.C. Fire Department was a high-voltage electrician who was employed on a temporary appointment, not-to-exceed one year. On November 1, 1985, this employee's appointment was terminated for unacceptable attendance.

Question: How exactly do you plan to use the $475,000 requested in FY 1987? When will you decide which option to use (replacing all transformers, or draining PCB's from the transformers and replacing with another harmless liquid)?

Answer: The $475,000 will be used to replace four PCB transformers serving the American Art and Portrait Gallery building and three transformers serving the Museum of American History Building. Because of the condition and age of these transformers, we determined to replace these transformers regardless of the outcome of the retrofill process. The results of the retrofill process should be known by January 1987. If, as anticipated, this process successfully reduces the concentration level of PCB's to below 50 ppm, consideration will be given to using this retrofill process on certain transformers on a case by case basis.

Question: What is the difference in cost in these options?

Answer: The retrofill process costs are approximately one half the costs associated with replacement. For the Smithsonian transformers, the average cost of replacement is $70,000, with the retrofill average being $35,000.

Question: How long do you expect the entire project to take, once a decision on the method to be used is made?

Answer: Existing EPA regulations require that PCB transformers no longer be in use as of October 1, 1990. The Smithsonian's plan of action calls for our PCB transformers to be either replaced or retrofilled in accordance with EPA regulations by this date. If the retrofill process proves to be as acceptable as anticipated, and the decision is made to use this method for the majority of our transformers, the October 1990 completion date could be compressed by approximately one year under our current funding plan of $475,000 in FY 1987, and $1.0 million a year in FY 1988 through FY 1990.

Question: Given the safety hazard, and the cancer-causing properties of PCB's, could you proceed faster? Would it make sense to allocate more of your restoration and renovation dollars to this project, and delay other projects which do not relate to life and safety?

Answer: If approximately $1.8 million were to be appropriated in FY 1987 and in FY 1988, the Smithsonian estimates that all PCB's could be eliminated by approximately October 1988. The current Smithsonian funding plan of approximately $500,000 in FY 1987 and $1.0 million each for fiscal years 1988 through 1990, was established on the basis of our belief that the type and condition of our electrical systems reduce the safety hazards associated with PCB's to an acceptable level of risk over this extended period. Although these risks would be further reduced by accelerating our transformer replacement/retrofill program, to do this by deferring or delaying other projects, not related to life and safety would certainly create other problems of a programmatic nature. In an atmosphere of limited funding, and needs which always exceed this funding, it is difficult to determine the priority of these needs. The Smithsonian feels, after a careful assessment of all projects and the risks associated with delaying or accelerating these project, that our FY 1987 budget request as presented represents the best use of this limited funding.

Statue of Freedom

Question: The Architect of the Capitol has requested $75,000 in FY 1987 for repair and conservation of the Statue of Freedom model, which will then be put on display somewhere in the Capitol. The model has been stored by the Smithsonian since 1967. Where is the model currently stored?

Answer: The model is currently stored at the Smithsonian's Silver Hill facility, Building 16.

Question: Why was the model cut in half and the head removed before being placed in storage? Who made the decision to do that?

Answer: The model is 19 feet high and varies in width to 8 feet. Estimates of its weight range from 10,000 to 23,000 lbs. The statue had been brought from the Capitol to the Smithsonian's Arts and Industries building, where it was pieced together from many parts and restored in 1890 for display in that building. When it was decided to remove the statue from display in the 1960s, it was discovered that it could not be moved safely in one piece. In 1966, a collaborative decision was made by a number of ranking Smithsonian officials, in consultation with outside experts, to disassemble the sculpture and place it in storage. The Architect of the Capitol was informed of the decision to move the piece to storage and had earlier declined an opportunity to have the work returned and placed on exhibit in the Capitol.

Electricity Costs

Question: P. 14. The request for uncontrollable increases is $6,095,000. Included is $2,446,000 for utilities, communications and postage. Why was the electricity unit cost significantly higher in 1985 and 1986 (estimated) than you estimated last year?

Answer: The primary reason unit costs for 1985 and 1986 (estimated) are higher in the FY 1987 budget request than shown in last year's request is that we had actual figures on the full impact in FY 1985 of the 7.5 percent rate increase approved by the District of Columbia Public Service Commission in FY 1985 and therefore could more accurately estimate this impact on the FY 1986 unit cost. Actual cost figures for FY 1985 were not known when the FY 1986 budget was submitted to Congress in January 1985.

Question: How were you able to reduce usage from 97.4 million KWH estimated for 1985, to 84.9 actual? Is it possible your 1986 and 1987 estimates might also be too high?

Answer: The actual 1985 consumption figure for electricity should have read 89.6 million KWH rather than 84.9 KWH (as stated in the FY 1987 budget justification). This corrected figure, which now includes electricity usage at the Museum Support Center and final adjustments made in the FY 1985 electricity bills, is still a sizeable reduction from the 97.4 million KWH estimate which appeared in last year's budget justification. The major factor contributing to the decrease was the milder weather experienced during the fiscal year. National Weather Service statistics confirm that in FY 1985 both the winter and summer were significantly milder than is the norm for the Washington metropolitan area. In addition, strengthened energy conservation efforts instituted during the year played a role in limiting our FY 1985 electrical consumption.

Due to the unpredictable variations from year to year in weather patterns, which impact on energy consumption and costs, projections of estimates of utilities usage may vary somewhat from the actual usage figures, either on the high or low side. The current electricity estimates for FY 1986, based upon actual costs for four months, show consumption and cost estimated slightly less than the estimates that appear in the FY 1987 budget justification. However, current estimates for steam, gas and telephones indicate that these costs will likely exceed earlier estimated costs. While current individual component cost estimates differ from earlier estimates for FY 1986, the total cost estimate for utilities, communications and postage for FY 1986 still appears to be in line with the total estimated cost for FY 1986 appearing in our FY 1987 budget justification. Projecting the above situation into FY 1987, it is possible that our estimates for each sub-component might now be slightly higher or lower than previously estimated, but the grand total cost estimate for all utilities still appears to be appropriate.

Question: What is included in the offsetting reimbursements (-$300,000)?

Answer: This amount consists of reimbursements received from: a) the Marriott Corporation for utilities used in connection with the operation of public restaurant facilities in Smithsonian buildings; b) the Friends of the National Zoo (FONZ) organization for utilities used in the operation of their concessions at the Rock Creek Zoological Park; and c) and the Smithsonian Museum Shops for utilities used in their operations.

Postage Costs

Question: You are projecting a 24% increase in postage. How are your efforts to limit costs reflected in this estimate, if the basis for the proposed increase is the 20% rate increase of a year ago? Shouldn't your cost cutting efforts result in a less than 20% increase, rather than a 24% increase?

Answer: Actions taken to reduce costs associated with domestic package mailings and express mail are expected to produce cost avoidance in FY 1987 of approximately $100,000. However, despite these initiatives, an anticipated 15 percent increase in the volume of overall mailings (based on recent samplings for existing programs), coupled with the new programs being initiated in the Quadrangle complex, is estimated to result in an increase in overall costs for postage of $415,000. This amount, offset by the Smithsonian cost avoidance measures, results in the need for $315,000 to defray estimated postage costs in FY 1987.

Telephone Costs

Question: For telephone costs, why are you using last year's estimate of 1986 costs as your base ($2,732,000) instead of the current estimate ($2,970,000)? Wouldn't this decrease the estimated shortage (and requested increase) to $478,000, rather than the $716,000 requested?

Answer: The $2,732,000 represents base funds appropriated in FY 1986 to defray telephone costs now estimated to be $2,970,000. Consequently, in FY 1986, there exists a shortage in base funds of $238,000. The FY 1987 deficit of $716,000 includes this base shortage, plus an additional $478,000 to defray costs associated with full occupancy of the Quadrangle, additional lines required to link automated systems, anticipated increased costs for use of the Federal Telecommunications System network, and telephone repair and replacements.

Smithsonian Astrophysical Observatory Move

Question: You are requesting an increase of $230,000 for renting a new facility for the Astrophysical Observatory in Cambridge. The budget explains that the rent was being raised at the old facility, and this new facility will cost the same as the raised rent. Was it not possible to find any other facilities at a lower rent than that proposed, even if not quite as conveniently located as the new facility?

Answer: No. As can be seen from the following table taken from a 1985 market survey of availability and cost of office space, the rental cost of SAO's new facility of $16.75 per square foot per year for 36,000 square feet is at least 25 percent lower than was obtainable at any other location in Cambridge, aside from the facility formerly rented by SAO. We were fortunate to find a building that was both conveniently located to the main SAO facilities and relatively inexpensive to rent; it is in a primarily residential area which is not in heavy demand for commercial use.

BUILDING		DATE COMPLETED	# FLRS	TOTAL RENTABLE AREA	SF AVAILABLE	$$$ ESTIMATED RENT/SF	% VACANT
120 Boylston Street	(R)	1982	10	160,000	2,600	$18.00	1.6
399 Boylston Street		1984	13	221,000	41,000	$31.00-33.00	18.6
419 Boylston Street	(R)	1984	8	44,000	30,000	$22.00-24.00	68.2
500 Boylston Street (Phase I)	(P)	1987	25	600,000	600,000	N/A	100.0
500 Boylston Street (Phase II)	(P)	1989	25	600,000	600,000	N/A	100.0
535 Boylston Street		1965	13	90,000	1,127	$28.00	1.3
545 Boylston Street		1973	13	85,000	18,000	$23.00-26.50	21.2
575 Boylston Street	(R)	1982	8	33,000	FULL	$23.00	.0
800 Boylston Street (Prudential Tower)		1965	52	1,400,000	225,000	$24.00-28.00	16.1
200 Clarendon Street (Hancock Tower)		1976	60	2,000,000	FULL	$30.00	.0
Copley Place		1984	7	845,000	200,000	$34.00-36.00	23.7
1 Exeter Place		1984	14	211,000	211,000	$26.50-37.00	100.0
101 Huntington Avenue		1971	26	432,000	FULL	$28.00	.0
2 Newbury Street	(R)	1982	6	12,000	FULL	$27.00	.0
126 Newbury Street	(R)	1981	6	33,000	FULL	$19.00	.0
6 St James Avenue (Paine Office Building)	(R)	1980	10	280,000	11,300	$18.00-21.00	4.0
31 St James Avenue (Park Square Building)		1922	11	500,000	3,149	$22.00	.6
380 Stuart Street	(R)	1982	9	160,000	FULL	$22.00	.0
TOTAL EXISTING BACK BAY				6,393,129	744,205		11.6
TOTAL UNDER CONSTRUCTION BACK BAY				0	0		.0
TOTAL PROPOSED BACK BAY				1,311,350	1,311,350		100.0
TOTAL EXISTING BOSTON				23,626,917	2,713,136		10.7
TOTAL UNDER CONSTRUCTION BOSTON				1,906,753	1,413,382		82.7
TOTAL PROPOSED BOSTON				6,650,678	6,650,678		100.0

CAMBRIDGE MARKET SURVEY

ALEWIFE STATION/ROUTE 2

1 Alewife Center	(P)	1986	4	88,000	88,000	$24.50	100.0
1 Alewife Place		1985	5	135,000	32,000	$19.50	23.7
56 CambridgePark Drive		1984	2	30,000	FULL	$15.00	.0
87 CambridgePark Drive		1984	2	45,000	FULL	$15.00	.0
100 CambridgePark Drive	(P)	1987	10	237,000	237,000	N/A	100.0
125 CambridgePark Drive		1986	6	184,386	110,000	$24.00	59.6
150 CambridgePark Drive	(P)	1988	10	250,000	250,000	N/A	100.0
617 Concord Avenue		1985	6	116,000	11,000	$23.00	9.5
725 Concord Avenue		1982	6	81,000	FULL	$20.00	.0
733 Concord Avenue		1980	2	42,240	FULL	$18.00	.0
2067 Mass Avenue (Henderson Carriage House)		1983	5	100,000	2,000	$15.00	2.0
10 Moulton Street		1976	7	100,000	FULL	$18.00	.0
55 Wheeler Street		1981	4	135,000	FULL	$22.00	.0
TOTAL EXISTING ALEWIFE STATION/ROUTE 2				[illegible]	[illegible]		17.0
TOTAL UNDER CONSTRUCTION ALEWIFE STATION/ROUTE 2				116,000	11,000		9.5
TOTAL PROPOSED ALEWIFE STATION/ROUTE 2				575,000	575,000		100.0

HARVARD SQUARE/MASS AVE

44 Brattle Street		1972	6	66,000	5,500	$19.50	8.3
Charles Square		1985	7	115,000	11,000	$26.00-30.00	9.6
10 Church Street		1980	4	60,000	18,720	$23.00	31.2
675 Mass Avenue (Central Plaza)		[illegible]	[illegible]	[illegible]	[illegible]	$20.00	.8

BUILDING		DATE COMPLETED	# FLRS	TOTAL RENTABLE AREA		SF AVAILABLE	S&E ESTIMATED RENT/SF	% VACANT
955 Mass Avenue	(B)	1970	8	95,185		95,185	$21.00-26.00	100.0
1000 Mass Avenue (Phase I)		1982	4	100,000		FULL	$23.00	.0
1000 Mass Avenue (Phase II)	(P)	1986	6	102,000		102,000	N/A	100.0
1010 Mass Avenue		1985	4	65,600		65,600	$26.00	100.0
1033 Mass Avenue		1969	6	65,000		7,500	$23.00	11.5
1050 Mass Avenue		1976	5	65,000		FULL	$21.00	.0
1100 Mass Avenue		1979	5	48,000		FULL	$24.00	.0
1300 Mass Avenue		1985	5	43,000		35,800	$23.00-26.00	83.3
848 Memorial Drive		1968	9	115,000		18,853	$18.00-19.75	16.4
8 Story Street		1970	6	30,000		FULL	$20.00	.0
14 Story Street		1971	8	36,000		FULL	$22.00	.0
University Place		1984	6	380,000		38,000	$28.00	10.0
TOTAL EXISTING HARVARD SQUARE/MASS AVE				1,020,185		166,738		16.4
TOTAL UNDER CONSTRUCTION HARVARD SQUARE/MASS AVE				223,600		117,450		52.5
TOTAL PROPOSED HARVARD SQUARE/MASS AVE				102,000		102,000		100.0

KENDALL SQUARE/MIT

BUILDING		DATE COMPLETED	# FLRS	TOTAL RENTABLE AREA		SF AVAILABLE	S&E ESTIMATED RENT/SF	% VACANT
1 Broadway		1970	16	330,000		FULL	$19.00	.0
Bulfinch Square		1984	4	54,000		51,000	$21.00-29.00	94.4
4 Cambridge Center		1983	12	225,000		FULL	$26.00	.0
5 Cambridge Center		1981	13	250,000		FULL	$26.00	.0
1 Canal Office Park	(P)	1986	4	100,000		FULL	N/A	.0
Edgewater Place		1981	6	110,000		FULL	$22.00-26.00	.0
161 First Street	(B)	1982	4	45,600		FULL	$17.00	.0
215 First Street (Athenaeum House)		1983	5	125,000	(B)	FULL	$19.00	.0
245 First Street	(B)	1986	6	115,000		FULL	$19.00	.0
245 First Street (Phase II)		1985	14	140,000		140,000	$25.00-28.00	100.0
1 Hampshire Street		1985	8	184,000		47,000	$22.00	25.5
1 Kendall Square (Building 100)		1984	3	19,000		FULL	$20.00	.0
1 Kendall Square (Building 200)		1984	6	120,000		FULL	$20.00	.0
1 Kendall Square (Building 300)		1984	5	55,000		FULL	$20.50	.0
1 Kendall Square (Building 400)		1985	4	12,000		12,000	$21.00	100.0
1 Kendall Square (Building 500)		1985	3	85,000		68,000	$21.00	80.0
1 Kendall Square (Building 600)		1985	5	23,000		18,400	$21.00	80.0
1 Kendall Square (Building 700)		1985	5	90,000		72,000	$21.00	80.0
1 Main Street (Riverfront Office Park)		1983	16	329,100		25,000	$23.00	7.6
1 Memorial Drive		1986	24	350,000		350,000	$33.00-35.00	100.0
1 Riverside Place		1985	9	273,000		92,000	$18.00-20.00	33.7
545 Technology Square		1960	9	140,000		FULL	$22.00	.0
555 Technology Square		1974	8	450,000		FULL	$22.00	.0
565 Technology Square		1966	9	131,800		FULL	$22.00	.0
575 Technology Square		1963	9	130,433		FULL	$22.00	.0
222 Third Street		1984	6	115,300		6,465	$16.50	5.6
TOTAL EXISTING KENDALL SQUARE/MIT				4,795,333		82,465		1.2
TOTAL UNDER CONSTRUCTION KENDALL SQUARE/MIT				1,157,000		799,400		69.1
TOTAL PROPOSED KENDALL SQUARE/MIT				100,000		0		

Question: When will the move actually occur?

Answer: SAO moved to the new facility during November 1985. The lease at the facility formerly rented by SAO expired on September 30, 1985. During the months of October and November 1985, SAO was able to rent the old facility as a tenant at will without having to sign a new lease. SAO did not begin payment of rental at its new location until December 1985, thus avoiding "double rent."

Inflation Request

Question: An increase of $1,590,000 is requested for inflation. Why does the Smithsonian believe it should be allowed an inflation increase of 4.1%, when most other agencies are experiencing actual program reductions?

Answer: The amount requested for inflation (4.1 percent) is the percentage that was allowed by the Office of Management and Budget. Approximately 36% of the Smithsonian's requested budget for FY 1987 is estimated to be spent in the "other objects" area of expense. It is vital that this base be protected from further erosion due to the inflationary price increases of those items and services the Institution routinely procures. The 2.6 percent reduction in the FY 1986 appropriation (followed by the 4.3 percent Gramm-Rudman cut for FY 1986) which affected all organization units and programs, made heavy inroads on other object class funds thus sharply reducing the Institution's purchasing power.

Question: Couldn't these costs be absorbed, in light of the actual program increases being requested by the Smithsonian?

Answer: The increased costs due to inflation cannot be absorbed by the Smithsonian since each office and bureau is effected by inflationary trends due to their purchasing requirements for program and support purposes. This funding is critical to ensuring the continuation of each bureau's current programs with adequate levels of base support. Increases are sought only for certain organization units and to a significant extent are reduced already as a result of phasing of hires. Absorbing inflation from these program funds limits our ability to implement the projects justified to the Committee.

Question: The budget lists a number of items which have increased in cost (pp. 20-21). Aren't there other items which the Smithsonian can purchase at the same or even reduced costs? Why don't you list such items in your budget?

Answer: The charts in the budget request illustrate only a selection of items and services which typically have not and can not be purchased at a reduced or same cost from the previous year. The Smithsonian is able, of course, to purchase some items at reduced costs, but the overall purchasing power of available resources is being eroded at the allowed OMB inflation rate or more.

Question: Do you have overall inflation figures (not just for selected items, as in the previous question) for 1984 and 1985, to compare with your overall estimate for those years?

Answer: The purchasing patterns of the Smithsonian vary as widely as its programs year-after-year, thus making comparisons very difficult. It is the intention of the Smithsonian, through the inflation request presented in its budgets, to justify the modest allowance permitted by OMB. This is done by citing cost estimates for selected items and services that have or will reach a rate of cost increase much higher than the allowance permitted by OMB.

Scientific Equipment Replacement

Question: P. 26. The request for the National Museum of Natural History is $21,888,000, an increase of $1,620,000 over 1986 adjusted. Last year, all of the science museums received an increase to the base for equipment replacement. For the record, provide by museum how much will be available in FY 1987 for equipment replacement, and how it will be used. Also indicate how long this program is expected to run.

Answer: The condition of research equipment at the Institution's science bureaus has been a source of concern for a number of years. Many pieces of research equipment have been outmoded by recent technological developments. The productivity of our staff, especially new members trained in the use of modern equipment, has been severely impaired by the condition of the equipment. In FY 1984, efforts began to address these problems by a systematic approach of reviewing inventoried equipment for 1) present research needs, 2) physical condition, and 3) state of the art capability. Previously, equipment needs, particularly major items, were addressed only on an ad hoc basis.

The results of our systematic review dramatically outlined the poor state of the Institution's research equipment, and the need to develop a rigorous cyclical program for replacement and upgrading. Recognizing the age of the many pieces of equipment, the Institution perceived a need to move expeditiously in developing a cyclical schedule to enhance the current bureau base for equipment. The schedule was designed so that within five years of its inception at each bureau, present inventoried equipment would be replaced or upgraded. Following the initial five year "crash" program, it was envisioned that an appropriate level of funding would be retained in each bureau's base for the future replacement of equipment on a regular basis.

A total of $250,000 was received in FY 1986 as an increase to the base for equipment replacement. The $250,000 was allotted to the National Museum of Natural History ($140,000); the Smithsonian Tropical Research Institute ($100,000); and the Smithsonian Environmental Research Center at Edgewater, Maryland ($10,000). Approval of the FY 1987 budget as requested would provide the science units with equipment replacement funds as follows:

Unit	Amount /1	Planned Purchases in FY 1987	Anticipated Duration of Equipment Replacement/ /2 Upgrade Program	
			Start	End
NMNH	$530,000	X-ray fluorescence unit ($150,000); Image Analyzer ($80,000); Transmission electron microscope ($180,000). Allotment to the seven science departments within NMNH to replace/upgrade less expensive equipment ($150,000).	FY 1985	FY 1990

Unit	Amount /1	Planned Purchases in FY 1987	Anticipated Duration of Equipment Replacement/ /2 Upgrade Program Start	End
STRI	$216,200	Scientific Equipment:	FY 1986	FY 1990
		Multipen recorder (Gilson)	($20,000)	
		Oscilloscope (Textronik)	($ 5,000)	
		Ultrasonic receivers	($ 5,000)	
		Audio-spectrograph	($12,000)	
		Balances - 5 units	($15,000)	
		Computer (ESP Program)	($12,000)	
		Compressor for dive locker	($20,000)	
		Spectrophotometer & assoc.	($20,000)	
		Subtotal	($109,000)	
		Research Support Equipment:		
		Electric plant on the R/V BENJAMIN	($10,000)	
		Work trucks - 3 units	($25,200)	
		Diesel Engine supply vessel	($35,000)	
		A/C for BCI 5-tons - 2 units	($12,000)	
		Lathe	($12,000)	
		Various shop tools	($8,000)	
		Computers Administration	($5,000)	
		Subtotal	($107,200)	
		Total	($216,200)	
SERC-Edgewater	$50,000	4-wheel-drive field vehicle ($10,000)	FY 1985	FY 1990
		Laboratory furniture ($20,000)		
		Approximately 12 weir digital recorders, blow meters and current meters ($20,000)		
NZP	-0-	It is anticipated that equipment replacement funds will be requested beginning in FY 1988.	FY 1988	FY 1993
NASM	-0-	It is anticipated that equipment replacement funds will be requested beginning in FY 1989.	FY 1989	FY 1990

Unit	Amount /1	Planned Purchases in FY 1987	Anticipated Duration of Equipment Replacement/ /2 Upgrade Program	
			Start	End
SAO	$1,200,000	Approximately $500,000 will be used for laboratory equipment and approximately $700,000 will be used for computer equipment. With the exception of revisions necessitated by the reductions in SAO's budget in FY 1985 and FY 1986, these expenditures will be made in accordance with the detailed plans that were submitted to, and approved by, the Congress.	FY 1984	FY 1997 /3

/1 Represents the base level of funding anticipated to be available in FY 1987 (assuming receipt of the budget as requested) for scientific equipment. With the exception of SAO and STRI, base funding does not include any funding for computer equipment required as research tools. (Additional funding for replacement of research computer equipment may be requested in future years, either as additional costs above and beyond the present equipment replacement program, or as a new but parallel effort.)

/2 Represents current anticipated duration of equipment replacement program at each bureau. Due to budget reductions in FY 1985 and FY 1986 and the possibility of further reductions in FY 1987 and future years, it should be noted that the proposed schedules may have to be revised.

/3 Although originally established as a five-year program, this program would have to extend through 1997 due to the across-the-board budget reductions in FY 1985 and FY 1986. However, since the life cycle of computer equipment is approximately five years and that of laboratory equipment about seven years, the program, as currently funded, will be unable to keep up with the timely replacement of SAO's scientific equipment.

Research in Barrier Reef Ecosystems and Global Volcanism

Question: The budget mentions two research projects begun in FY 1985: a survey of barrier reef ecosystems, and global volcanism. How long are these projects expected to run? What do you expect to accomplish in FY 1987?

Answer:

Caribbean Reef Ecosystems Program

Duration of program: Long-term. Coral reef systems (including seagrass meadows and mangroves) are among the most diverse and biologically productive communities on earth. The Caribbean is the only sea adjacent to the continental United States that supports these important communities. Yet we are still decades away from completing a basic inventory of coral reef fauna and flora species and their description, not to mention understanding the ecological processes that control the existence of reefs. Compared to the much less complex Mediterranean (an analogous sea for Europe) we are almost a century behind the Europeans in scientific study and we maintain only 10 significant marine biological/geological laboratories (5 of them U.S. funded), versus 30 in Europe.

Projects for FY 1987: Program funds allow us to maintain a modest but cost-effective non-permanent marine field research station on Carrie Bow Cay, Belize. Projects proposed for the Belize barrier reef complex include: (1) study of the Twin Cay mangrove swamp communities, their composition, ecology, and changes over time; (2) research leading to improvement of a meteorological and oceanographical monitoring station to serve the southern coast of Belize; and (3) research on systematics, ecology, reproduction, and behavior of selected coral reef invertebrate and fish species. Projects proposed for areas outside Belize include: (1) study of diversity and development of microorganisms in reef habitats off Yucatan (Mexico); (2) composition and distribution of coastal fauna of Caribbean Columbia; and (3) comparative surveys of crustacean faunas of Jamaica and St. Vincent Island.

An estimated 70 workers will engage in Caribbean field studies under the auspices of the National Museum of Natural History. This figure includes 25 staff scientists, 20 staff technicians, 10 pre- and post-doctoral Smithsonian Fellows, and 15 specialists cosponsored by other institutions.

Global Volcanism Program

Duration of Program: Long-term. The geophysical processes that are studied in this project are constantly active.

Projects for FY 1987: (1) completion of transfer of data banks from mainframe to microcomputer systems available to colleagues globally; (2) publication of a book compiling the last ten years of global volcanism reports from the Scientific Event Alert Network and of a map (with the U.S. Geological Survey) of the world's volcanoes, earthquakes, and tectonics); (3) submission for publication of greatly expanded second edition of "Volcanoes of the World"; (4) continuation of research, with publication, on patterns in historical and recent volcanism around the world; and (5) enlargement of volcanological archives, with exploration of videodisc publication of maps, photos, and satellite images of the volcanoes of the world.

Anthropological Films

Question: A Science article last July discussed the status of a repository of anthropological films at the museum which is lying in limbo, unfinished and unusable. According to the article, these films will "soon be the only source of knowledge about aspects of social behavior in fast-disappearing cultures." what is the status of these films? What plans does the museum have to complete the films, and make them accessible in the future?

Answer: Notwithstanding various assertions in that article, the film footage in question is fully available to qualified researchers for study and review within the Smithsonian's National Anthropological Film Archives, just as are the other holdings of that unit. With regard to "completing" the films, the Smithsonian's approach changed in 1983 with the departure of the project's previous director. Since that time we have been working toward a set of agreements with host country principals under which the film footage would be annotated and edited by their own local scholars. Unfortunately, the effects of the Gramm-Rudman-Hollings reduction at the Museum of Natural History include a cut of $100,000 in the "Other Objects" budget of the Archives--one of the few areas within the Museum's budget not heavily encumbered by salary costs of existing staff. Consequently, our ability to provide financial assistance in support of such prospective local annotation has been heavily eroded.

Museum of the American Indian

Question: Over the past year, there has been much discussion about the status of the Museum of the American Indian in New York, including the proposal of H. Ross Perot to move the museum to Dallas. A news story in November indicated President Reagan had intervened to make possible the transfer of the museum to the old customs house in lower Manhattan, by transferring the facility to the Interior Department. Has the Smithsonian been involved in any of the recent discussions as to the status of the museum? Do you know what the current plans are?

Answer: The Smithsonian has not been involved in recent discussions on this topic. Our understanding is that the American Museum of Natural History and the Heye Foundation Board may still reach an accord which would keep the Museum in New York City. Our further understanding is that, failing an accord, the prospects for the Museum's collections leaving New York State rest on determinations to be made by the State Attorney General. Should the Attorney General rule that the collections may leave, the Smithsonian would be very interested in exploring opportunities which could result in those materials being secured for public display and scholarly access in the Nation's capital.

Biological Diversity Research

Question: An increase of $330,000 is requested (p. 29) to expand research on biological diversity and the roots of human culture in South America. This apparently includes increased travel costs of $261,000, or a 59% increase over 1986. How will this research on biological diversity be differentiated from that of the Smithsonian Tropical Research Institute, as discussed on p. 40 of the justification?

Answer: The enormity of the environmental destruction in tropical environments convinced the Institution to assign its highest priority to this research and has allocated its request for new funds to the two bureaus most competent to carry out this work. The research initiatives of STRI and NMNH on tropical biological diversity are, however, quite separate because of their differing approaches to the common problem of the rapid alteration of the tropical environment caused by human pressure.

Scientists at the Museum of Natural History are primarily expert taxonomists and are therefore competent to identify the plants and animals in the arc along the western and northern Amazon Basin. We will never know what might be lost from tropical forest deforestation unless we know what is there now. We believe no more than a third of the insect species there have been identified. Trees, birds and mammals identifications are probably closer to 80% or 90%, but small plants, such as lichens, grasses, fungi, etc., are as poorly known as the insects. In Amazonia alone there are millions of plant and animal species waiting to be identified. Furthermore, we now understand that these seemingly insignificant plants and insects can have a profound effect on human life.

Scientists at STRI on the other hand need the assistance of taxonomists to understand the species relationship between the plants and animals they are working with, when they initiate a long-term study of their dynamics. STRI scientists, for example, try to understand what is happening in a specific 50 hectare (123.5 acres) forest plot. They seek to learn why certain species of trees are located where they are. When a large canopy tree falls, what species will fill the gap and why? How often do canopy openings occur? Answers to such questions can only be gained by years of close scrutiny, and in almost every case, each answer triggers many more new questions. However, it is only by such research that we can ever hope to understand the consequences of the rapid alteration of the tropical forest and thus be able to plan ways to mitigate potential irremedial damage to our planet.

Thus the two bureaus will act independently in carrying out their specific research, but within an interdependent framework that will coordinate their different projects in addressing what has become a major global problem.

Question: How exactly will you coordinate this initiative, and the requested initiative under STRI, an increase of $345,000 for a tropical forest biology initiative?

Answer: The initiative of each bureau (STRI and NMNH) will be coordinated through the close liaison between the office of the Assistant Secretary for Research and the directors' offices of the two bureaus.

Question: Can you be more explicit as to what the part of the project on exploring the origin of human culture will involve?

Answer: Of major importance in understanding the biological diversity in the tropical forests of Latin America is determining past influence of early man in the biota. Current evidence from Brazil indicates that primitive tribes, such as the Xingu Indians, have managed parts of their forest as "cultural gardens" which assured sustained sources of medicinal and other plants, roosts for birds whose feathers were required, etc. If NMNH scientists are to fully understand the biotic components they discover and identify, we need to understand the changes made to the forests by native tribes.

Question: Is the $90,000 travel increase for Smithsonian staff only? Please provide further detailed justification for this increase.

Answer: The requested increase of $90,000 for travel is an essential part of the National Museum of Natural History's proposed program of recording biotic diversity in the species-rich areas of Latin America. The biological diversity of the earth is diminishing at an exponentially increasing rate. This alarming trend is particularly evident in the tropics where plant and animal life are the richest. A series of multidisciplinary and integrated biological diversity studies will be initiated to collect specimens and record the coexistence of species in the arc along the western and northern Amazon Basin, along the flank of the Andes and eastward across the land of the Tepuis and throughout the Guianas where accumulating evidence indicates that the major center of biological diversity on earth is to be found. These studies will require extensive field research teams, traveling through remote areas of South America for periods of several weeks to several months. Such expeditions, consisting of both scientific and support personnel, often include scientists from different disciplines (for example, botanists, entomologists and ornithologists) to enhance the range of specimens and research data that can be collected. The requested funding will primarily support the travel costs of Smithsonian scientists and research staff engaged in this program. However, an amount of $5,000 is included for the travel costs of non-Smithsonian scientists whose expertise in specific disciplines may be necessary to augment the research capabilities of Smithsonian staff.

Travel to species-rich areas in Tropical Latin America: Multidisciplinary expeditions to remote areas of the tropics are costly because of special travel requirements and the need to get specialized equipment into these inaccessible locations. However, there is no alternative to research, document and collect the thousands of unknown species that reside in these remote areas ($70,000).

Travel to scientific meetings for presenting data: In order to keep current with the latest research in understanding biological diversity and the recent rapid decline in the tropics, as well as to share the research results of this program with the international scientific community as soon as possible, funding is requested for travel to national and international scientific meetings ($10,000).

Travel to other museums with collections of natural history specimens and data: During the past 150 years, many collections of tropical fauna and flora have been assembled in numerous museums around the world. As part of the systematics part of this research program, these collections, which will provide the identification of these species and documentation of their occurrance in the past, will be studied ($5,000).

Travel costs for non-Smithsonian participants: Occasionally, an expedition will need an outside professional to complete the range of expertise needed for certain areas in the tropics ($5,000).

34. Question: How many symposia do you plan to hold, for the increase of $96,000?

Answer: It is anticipated that symposia will be held each year for the first several years and biennially thereafter.

Question: How long will this project run?

Answer: The task of cataloguing and study of the tropical fauna and flora of perhaps 20 million species is open ended. In a real sense, therefore, the program must continue indefinitely. The Museum already has worked on tropical diversity on a small scale for many years. Now the threats to the tropics are so great that a whole new scale of activity is demanded. We would see this specific initiative lasting a minimum of 10 years.

Whipple Observatory Base Camp

Question: P. 32. The request for the Smithsonian Astrophysical Laboratory is $9,291,000, an increase of $942,000 over 1986 adjusted. When do you expect to have the design for the proposed new base camp for the Whipple Observatory in Arizona completed? When would you expect to request funding for construction?

Answer: We expect the master plan to be completed by the middle of FY 1987. The design phase would then commence and should be completed by the end of the first quarter of FY 1988. Funds for construction would be sought for FY 1988.

Smithsonian Astrophysical Observatory-Submillimeter-wave Astronomy

Question: An increase of $150,000 is requested to initiate instrument development in the new field of submillimeter-wave astronomy. What is the planned total cost of this effort? Over how many years?

Answer: The planned total cost for development of instruments in the new field of submillimeter-wave astronomy is $550,000 in capital expenditures to equip a suitable laboratory and about $300,000 in annual costs for salaries, benefits, rent, supplies, machine-shop work, instrument parts, etc. We expect that it would take two years to equip the laboratory and several years to complete the first instruments. The development of instruments is expected to be an ongoing process, guided by advances in technology and research in this new field.

Question: Explain exactly what is involved in this project, in terms of allowing the use of existing telescopes to work at submillimeter wavelengths.

Answer: Submillimeter wavelength instruments, primarily ones to amplify and detect radiation at these wavelengths ("receivers"), would be built at SAO and placed at the focus of existing optical-infrared telescopes, such as the Multiple Mirror Telescope (MMT), to observe the sky at submillimeter wavelengths. Because the field of submillimeter astronomy is only in its infancy, important research could be conducted with these telescopes even though they are rather small and not specifically designed for this purpose.

Question: The justification states that SAO wishes to start construction of a pioneering array of submillimeter telescopes which will achieve far higher angular resolution than the current telescopes, and will therefore reveal much greater detail. How much do you anticipate this effort will cost?

Answer: As stated in testimony before this committee at the FY 1985 Appropriations Hearings (published in Part 8, Pages 46 - 52, of the hearings), the proposed pioneering array of submillimeter telescopes is estimated to cost a total of $20 to $25 million (in 1984 dollars), spread over a five-to-seven-year construction period for a developed site in the continental United States. The annual operating cost would be $2 million. For construction and operation on a site in Hawaii, these costs would probably be 10-20% higher.

Question: What will be gained by proceeding with this interim effort involving the existing telescopes now, instead of starting on or waiting for the new telescopes?

Answer: Because the development of receivers is the technically most challenging part of the array, they require the longest lead time. SAO has, therefore, requested funding to begin their development during FY 1987 to ensure that the design, construction, and testing of these receivers are carried out prior to the completion of the submillimeter telescope array. Moreover, as noted in part in the response above, with these receivers we will be able to gain valuable experience and to carry out important research programs on existing telescopes before the new telescopes, with their higher sensitivity and angular resolution, are completed.

Smithsonian Tropical Research Institute Construction Request

Question: P. 39. The request for the Smithsonian Tropical Research Institute is $4,243,000, an increase of $600,000 over 1986 adjusted. In addition there are requests of $4,800,000 in new construction, including the $1,300,000 for a conference/dining facility and dormitories that was rejected by Congress last year; and $3,500,000 for a new research facility. $665,000 is requested for the conference/dining facility on Barro Colorado Island. On what do you base the need to serve 240 meals a day at this site, compared with the current capacity of 135 meals a day?

Answer: The dining hall on Barro Colorado Island must accommodate both the scientists staying on the Island and the non-resident scientists and support staff using the Island. Non-resident staff eat lunch on BCI, and residents eat all three meals there. Thus, many more people are served lunch than other meals. Recently, the number of lunches has averaged 80 per day (2,410 lunches served in November 1985). This requires a dining hall that can serve 240 meals per day. In the present facility, 10 to 12 people sit at tables meant to accommodate eight during lunch, and others eat on lounge furniture without benefit of a table.

Question: What is the average daily on-site population at this location throughout the year?

Answer: Users of Barro Colorado Island fall into two categories. The number of support personnel, staff scientists, and students from local universities present on a given day is fairly constant year-round. The number of visiting scientists fluctuates, however, with numbers being maximal during breaks from university obligations (December, January, and the summer months) and lower at other times. These visitors do the bulk of the research done on BCI, and our facilities must accommodate a normal seasonal load. With this background, the average number of users of BCI on a week day during periods of high visitor activity is 90. This includes 35 scientists who live on BCI, 28 workers who commute or sleep on BCI, and 27 scientists and assistants who commute. The figure exceeds the number of lunches served because some scientists eat in the field, and game wardens work night shifts. People who sleep on BCI each night include scientists, four game wardens, a cook and his assistant, and a launch operator. During periods of low visitor activity, the number of users of BCI might fall to 55 with scientists living on BCI falling to 20 and commuting scientists and assistants making up the difference.

As general information, Congress in the FY 1986 appropriation report deferred the Barro Colorado Island conference/dining facility and the dormitories at Naos Island and Gamboa because "The Committee believes these projects should be deferred until completion of the master plan, scheduled for fiscal year 1986." The master plan, which is now complete, includes the recommendation of these three projects.

Question: Would it be possible to meet the need to replace the dilapidated facility you describe with a smaller facility than that proposed? What about providing a single story building, and using the dining area for lectures and conferences, when not in use for meals? If so, what would be the potential savings?

Answer: The size of the new facility has already been reduced more than 30% from what was recommended in the Master Plan. Some areas also needed in this facility such as administrative office, mail room, toilets, and mechanical room have been reduced to minimum functional size. The original Master Plan recommendation for dining hall capacity of 100 people has also been reduced to 80 people as a cost saving exercise. By maintaining the current size of the dining area, it would be impossible to accommodate both activities in the same area. The very broad and different type of research activities being conducted at Barro Colorado Island requires scientists to work with very different schedules, therefore expanding the use of the dining area to more than just breakfast, lunch and dinner hours. In addition, if folding partitions are provided to an already under capacity facility (dining), a not very practical/usable conference area would be created, and administrative areas would be eliminated. An alternative to this proposal would be expanding the size of the dining area on the first floor by about 100%. However, BCI's steep topography, which favors the construction of high rather than wide buildings, would create a sharp increase in cut and fill and other site preparation costs.

Question: $635,000 is requested for dormitories at Gamboa and Naos Island. How many visiting scientists are on site on Naos Island at any one time, based on your records over the last several years?

Answer: A range of 17 to 29 visiting scientists per month have worked at the Naos Laboratory since 1981.

Question: Is there space available in the STRI housing you mention, which is several miles away from the marine laboratory?

Answer: Currently, no STRI housing is available 90% of the time for visiting scientists and students working at our marine laboratory on the Pacific side of the Isthmus. This is mainly due to increased need for housing accommodations for terrestrial research programs that cannot be accommodated on Barro Colorado Island or is not commensurate with the management goals of the Nature Monument. In addition, the distance of this housing from our Pacific marine laboratory and marine research sites/environments would greatly diminish the quality of marine research. The need for access to experiments at odd hours (during weekends and at night) due to dependence upon tides, upwellings, weather, and sea conditions requires 24-hour per day proximity to the field site.

Question: What is the "pressure" on housing on Barro Colorado Island you describe (p. 228)? How much housing is available there now, unoccupied on a regular basis?

Answer: BCI offers access to moist tropical forest together with rudimentary office and laboratory facilities. The combination is nearly unique, and the number of potential visitors frequently exceeds the capacity of the facilities and of the forest trails. With the proposed renovation of the dormitory in Gamboa, housing that offers access to the forests of the nearby National Park "Soberania" will accommodate much of the overflow from BCI. Apartments are not available for the typical research visit of two or three months. BCI can actually accommodate 35 scientists and eight workers and game wardens. In recent years, the number of scientists resident on the island has hovered closed to 35 during the months of December, January, June, July and August. The number falls to about 25 at other times, and can dip as low as 15 during holidays. Seven or eight workers and game wardens are always present.

Question: Is there other housing available elsewhere which would be accessible to Barro Colorado and Gamboa?

Answer: Barro Colorado is an island in Gatun Lake surrounded by mainland peninsulas and adjacent to the National Park "Soberania." Gamboa is a small town-site on the east bank of the Panama Canal bordering "Soberania," 30 minutes by boat from BCI and 18 miles away from the nearest urban development in Panama City. No housing is available elsewhere that would be reasonably accessible to Barro Colorado Island and Gamboa. Further, use of available housing in more distant urban areas would result in increased transportation costs and reduce research efficiency at sites in "Soberania" and BCI. For example, commuting time from Panama City to BCI is two hours each way and involves coordinating car, train and boat schedules.

Question: $3,500,000 is requested for a terrestrial laboratory and conference center at the Tivoli site. The present facility dates to 1919, and consists of 12,000 square feet of space. A gift of $4,000,000 has been received from the family of Earl S. Tupper, which will provide the building shell. The request of $3,500,000 will complete the proposed 67,000 square feet facility. If the Tupper gift had not been received, would this project have been a current priority of yours?

Answer: STRI approached the Tupper Foundation precisely because a new research-conference center was urgently needed. Existing facilities are obsolete and crowded. A long-time supporter of our research efforts, the Tupper Foundation recognized our present predicament. It is difficult to do good science when working conditions are substandard. This is why the Tupper Foundation made its generous gift in the first place.

Question: When the gift was given, was it assumed that it would be sufficient to build the entire facility?

Answer: The Tupper Foundation made the donation with the understanding that it would cover the shell of the building only, and that there would be matching funds to equip, furnish and put into operation the new facility. Theirs is the largest private-sector contribution ever made to the Smithsonian for the purpose of promoting scientific endeavors. As such, it sets an important precedent. An explicit wish of the Tupper Foundation was that the building complex should be functional in the extreme, devoid of unnecessary frills or purely aesthetic elements. STRI has followed closely their wishes, producing a pleasant but totally practical plan.

Question: On what basis have you decided to replace a 12,000 s.f. facility with a 67,000 s.f. facility? Would it be possible to scale back the size and reduce the total cost?

Answer: A 67,000 square foot facility represents the minimum size necessary to carry out STRI's diverse functions. These include basic research by the permanent staff, adequate research space for several hundred visitors each year, a conference center for weekly seminars and special conferences, several interrelated efforts to promote the conservation of biotic resources, a focus for private-sector programs that call upon our Latin American expertise, an efficient procurement and logistic support department, and so forth. Existing facilities are so limited that many of our permanent scientists lack adequate office and laboratory space. More serious still, the present set-up is woefully impractical. A building that is distant from the library and the administration offices, of such ancient design (1919) that neither sensitive laboratory equipment nor experimental animals can be kept there, so dispersed that computer and communication facilities cannot be centralized, lacking security, minimal comfort and places to park or have a snack, all of which inevitably lead to loss of time, energy and money. By concentrating the existing facilities in one place and providing much needed new facilities for computing, plant growth, animal handling and biochemistry, STRI will dramatically improve its science and operational efficiency. With respect to scaling down the size of the facility, see response to Question 51.

Question: What if only an additional $1,000,000 were provided, for a total project cost of $5,000,000? What kind of changes would be made in your plans? Would this modified facility be adequate for your current and foreseeable needs in the near term?

Answer: Reducing the total Tupper cost down to $5.0 million would mean that the Tupper Foundation would be financing 80% of the project. Since it was the intent of this Foundation to share the financing of the total project cost, this reduction might also mean that the donation could be reduced. So far we have only received $1.0 million from the Tupper Foundation. A total project cost of $5.0 million, means that, after overhead, profit, escalation, bonds, insurance, architectural engineering design fees and construction supervision, we would have about $2.4 million for basic construction, or a $1.4 million reduction from the present construction cost. Construction with a $5.0 million limit would preclude construction of one laboratory floor (8 offices and 6 laboratories), the conference center, plant and animal research areas (cages and growing houses) and the dining hall. Loss of these components of the Tupper Research and Conference Center would seriously diminish our capability to fulfill STRI's goals.

Question: The project as proposed will provide laboratory space for 36 staff members. How many are onsite at the Tivoli site on a daily basis, on average, based on your records over the past several years?

Answer: For clarification, little research is presently conducted at Tivoli, which is the Institute's administrative headquarters and the site of the Library. The proposed facility at Tivoli would replace the outmoded Ancon facility, located approximately one-half mile from the main STRI administrative complex at Tivoli. It is estimated that a total of 45 staff scientists, research technicians and visiting scholars work at the Ancon facility on a daily basis, on average. Since the Ancon facility can only provide office and laboratory space for 6-8 staff scientists, and 20 other research technicians and support staff, it has been necessary to use hallways and other inadequate makeshift arrangements to accommodate the current need for space. The proposed facility, providing laboratory space for approximately 12 permanent staff members and 24 visiting scientists, fellows and assistants, will increase the capacity of the laboratory space, as well as greatly improve the quality of the facilities.

Question: What will be the capacity of the kitchen and dining room?

Answer: The kitchen is designed to serve on a daily basis as a kitchenette with a maximum seating capacity of about a dozen people for use by on-site employees. In addition, it will serve as a staging area to serve catered meals in the rooms on the second floor of the conference center.

Question: Why is another conference center needed at this site? What is the justification for the proposed size of the center? Could it be scaled back?

Answer: The conference centers at BCI and the Tupper complex will satisfy different institutional needs. The large Tupper Conference Center with a seating capacity of 200 will accommodate international conferences, seminars and workshops, as well as weekly seminars attended by the entire STRI staff, visitors, and members of the Panama scientific and governmental communities. Logistics require that such a conference center be located adjacent to support services such as transportation, restaurants, and lodging, and the STRI library. If this facility were reduced in size, our ability to host such scientific meetings and workshops would be compromised.

The BCI conference center, perhaps inappropriately named, will be used primarily for activities of the BCI resident community as a site for informal seminars, as a staging area for the assembly of research supplies and equipment and as a center for intellectual activities. In addition, it will serve as an educational center for groups of day visitors to the Nature Monument. Its relative inaccessibility makes the BCI facility unsuitable as a major conference center.

Question: Even if the project is agreed to as proposed, why do you need the $3,500,000 in FY 1987? When will design be complete? When will construction, using the $4,000,000 gift, be started, and expected to finish?

Answer: The $3.5 million is necessary so contracts can be let for the entire contruction project.

The latest revised schedule indicates that design will be complete by June 1986. Construction is expected to start in October 1986 and last 18 months until March 1988.

Tropical Forest Biology Initiative

Question: An increase of $345,000 is requested for the tropical forest biology initiative. How exactly do you see this research initiative contributing to the problems today in tropical forestry? How will the countries experiencing these problems be involved in designing or participating in this research program, and how will the results be applied?

Answer: Monocultures in temperate agriculture and forestry are fraught with dangers that are costly in time and resources (e.g. they are energy intensive and require heavy application of pesticides and fertilizers). Because of the biotic complexity of tropical regions, the dangers are multiplied. Nevertheless, monocultures are precisely the technology that our international assistance programs have been imposing upon developing countries. Availability of knowledge of the demography of complex species assemblages of tropical tree species is essential if we are to capitalize on the potential of multispecies management options.

Our results will be applied in numerous ways. Ecologists, foresters, and other resource specialists will learn of STRI's studies through our publications. STRI has an extensive network of interactions with both private and public sector organizations in Latin America and throughout the tropics. The transfer of knowledge will be insured by the visits of hundreds of representatives of these organizations to STRI and the travel by STRI staff to other countries. In addition, our fellowship and assistantship programs for scientists from tropical countries insure participation of scientists from the region. When those scientists return to their home countries and initiate research, extension or management activities, our results will be applied widely.

Question: Would it be preferable to use additional funds to begin to meet some of the crisis situations in tropical deforestation, through AID or other mechanisms, rather than doing more research?

Answer: Definitely not. The limited successes of past forestry efforts, (e.g. Jari project of Daniel Ludwig and many others) demonstrate the need for pioneering new approaches to the protection of existing forests, to reforestation, and to the production of harvestible forest products (fiber, chemicals, protein from wildlife, etc.). To accomplish these goals more complete knowledge is required of complex natural forest ecosystems and of selected sets of species that might be used in extensive plantation and reforestation programs. The complex biological dynamics (microrhizal fungi, seed dispersal, pollination, etc.) of tropical forests require approaches that differ from those that are successful in temperate regions. The technologies of growing pine trees in North America are not appropriate for tropical forestry production. Thus innovative research is essential. STRI's unique expertise in tropical forest biology provides the required scientific base to assure successful research programs.

Question: Why isn't it possible to use base funds for some of the equipment and supplies for this expanded research? Aren't there other projects winding down or being phased out?

Answer: Base funds are now stretched to the limit. No existing projects are being phased out.

Question: Justify the increase of 47% for travel over 1986.

Answer: For FY 1987, an increase of $33,000 is requested for travel over the FY 1986 base. Of that amount, $30,000 is requested as part of STRI's tropical forest biology initiative and serves as an integral part without which the ultimate success will be in doubt. Three thousand dollars is sought to compensate for the effects of inflation on the FY 1986 base funding for travel. Four major activities associated with the initiative require travel funds ($30,000) to insure their success:

> Travel to museums in the United States. Use of major U.S. collections is essential to compare voucher specimens with museum collections to insure identification of known species and for description of new species ($3,000).
>
> Travel to Panama. Consultants in insect biology and systematics, plant reproductive biology, and molecular evolution will visit for periods of a few weeks to months to help design and conduct research efforts and analyze results. They will insure that the most up-to-date disciplinary advances are incorporated into our studies ($9,000).
>
> Travel to Malaysia. STRI's developing collaboration with the Forest Resources Institute, Malaysia, has already produced a census plot in the Malaysian forest. Participation by STRI staff in designing and conducting the Malaysian effort is critical to insure the collection of com-

parable data and to continue fostering international collaborative research efforts ($15,000).

Travel to scientific meetings. Travel to scientific meetings is essential to insure dissemination of project results. STRI's current base budget simply does not permit STRI scientists to respond to many requests to share their expertise in national and international conferences ($6,000).

Smithsonian Environmental Research Center Lawsuit

Question: P. 47. The request for the Smithsonian Environmental Research Center is $3,614,000, an increase of $231,000 over 1986 adjusted. What is the status of the lawsuit brought last year against SERC, claiming SERC violated covenants by disturbing historic land near West River, and reneging on a commitment to preserve the property?

Answer: The Smithsonian was sued in U.S. District Court for the District of Maryland by a descendant of a landowner who sold her property to the Institution over 15 years ago, to become part of the Smithsonian Environmental Research Center. Plaintiff alleges that some Smithsonian activities on this property violated covenants restricting the uses of this land; and that the alleged violations of the covenants activated a re-purchase option so the plaintiff can re-purchase Smthsonian land at a fixed price which is considerably less than fair market value. The Department of Justice, which represents the Institution, filed motions to dismiss for lack of jurisdiction. The motions were denied. The Smithsonian's answer to the complaint states that the activities on this property did not violate the covenants, and that the plaintiff has no right to enforce the option to re-purchase. Pre-trial discovery proceedings are underway.

Question: Have you sold any of the land in question? If so, what were the proceeds, and how were they used?

Answer: No, the Smithsonian has not sold any of the property which is the subject of the lawsuit.

Smithsonian Environmental Research Center-Rockville

Question: The Smithsonian just announced its plans to close the SERC Rockville site, formerly the Radiation Biology Laboratory, in November, 1986. What are the expected closure costs?

Answer: The closure costs associated with personnel for the Smithsonian Environmental Research Center Rockville facility are currently estimated at $825,000 (approximately $600,000 for severance pay and $225,000 for annual leave pay off). In addition, the facility will be operational until November 14, 1986 and costs associated with salaries, utilities, building and equipment maintenance will accrue during this period in FY 1987. The Smithsonian's lease for the building at Rockville does not expire until January 31, 1990. Unless the Smithsonian can sub-lease the building, it is committed to $175,000 per year until the expiration of the lease. The Smithsonian is in the process of determining the specific costs associated with the moving of the greenhouse, research equipment and furnishings, and modifications to restore the building to its original configuration in accordance with the terms of the lease. These costs will be communicated to the Congress when they are known.

Question: What are your specific plans for redirecting the savings (estimated at $2.3 million) in FY 1987? Why won't this result in a possible savings in the budget?

Answer: The Institution's action in closing SERC Rockville was not primarily to achieve a budget savings, but rather to strengthen the Institution's research capabilities by redirecting these existing funds into other high priority areas of Smithsonian research competence. The Institution, with the assistance of knowledgeable experts, is carefully examining a number of promising new lines of investigation to maximize these resources in order to build on existing strengths in evolutionary biology and related disciplines. Such promising new areas of investigation might include genetics, molecular biology, and gaseous exchange at the atmosphere/biosphere interface.

Animal Species

Question: P. 57. The request for the National Zoological Park is $11,747,000, an increase of $704,000 over 1986 adjusted. What is the reason for the decrease in animals and species at the Zoo (2,000 and 381 in this year's budget, compared to 2,200 and 397 last year)?

Answer: The figures cited, comparing the population of animals located at the Rock Creek facilities of the Zoo, reflect a small decrease between the two years. The shift in population, however, reflects the constant movement of animals in and out of the collection and the increased emphasis on the successful breeding programs at the Zoo's Conservation and Research Center at Front Royal. When the animals located at Front Royal are included in the figures, the total population has remained constant at just over 2,900 specimens.

The decline in the number of species reflects the Zoo's animal management policy decision to reduce species and increase specimens, resulting in the larger breeding herds maintained at Front Royal.

National Zoological Park Program Request

Question: No program increase is requested, for the second year in a row. Will the Zoo be able to continue to meet its responsibilities for the animals under its care at the requested level? Are there any particular areas where a shortfall is being felt?

Answer: The Zoo will strive to meet its responsibilities for the animals, as well as its responsibility to the visitors and to the facilities, with the requested level of funding. However, some critical areas are in need of additional support, especially compounded by the effects of across-the-board budget reductions, including the Gramm-Rudman-Hollings reduction. The most urgent needs have been to ensure adequate base levels of support and staffing in animal care and facilities maintenance, and to develop a long-term program for the replacement and upgrading of medical and scientific equipment.

Additional funding for these priority areas had been sought in the FY 1987 OMB budget submission, but the requested increases were not allowed. To maintain the Zoo's current program to care for the animals in its collection, three animal keeper positions (3 workyears and $57,000) had been requested, including two animal keepers to support the newly-opened Invertebrate Exhibit in the basement of the Reptile House, and one animal keeper for the new facilities at the Conservation and Research Center at Front Royal, Virginia. In addition, a sum of $93,000 had been requested for supplies and materials used in the routine maintenance of both animal and public facilities at the Zoo. An increase of $100,000 had also been requested to develop a long-range program of upgrading and replacement of critical medical and scientific equipment. As indicated in a previous question above, the Zoo does not currently have base funding for this program. The average life of the equipment presently used at the Zoo ranges from 6 to 12 years; in many departments, programs crucial to the health of the animals in the Zoo's collection depend upon equipment that is between 10 and 19 years old. The detailed survey of this equipment, conducted in February 1984, estimated that the replacement of the current medical and scientific equipment at the Zoo would cost approximately $5 million. It is anticipated that additional funding for these critical areas will be requested in future years.

National Zoological Park Construction

Question: There is also a request of $4,851,000 for construction and improvements at the Zoo and Front Royal, compared to $5,281,000 in FY 1986. When will the design of Phase II of the Aquatic exhibits be completed? When would you be ready to proceed to construction? How much will be required?

Answer: Phase II design will be completed in FY 1987 with plans ready to proceed to construction in March 1988. The current working estimate for Phase II is $12 million.

Question: $2,500,000 is requested to renovate the old hospital into a research facility, now that the new hospital will be under construction. When will the new hospital be completed? Will you be ready to begin renovation of the old hospital in FY 1987, or will it still be needed for hospital purposes?

Answer: The new hospital will be completed and ready for occupancy in September 1987. Renovation of the old hospital can start in September 1987. Until the new hospital is completed, the old hospital will be needed to support the animal health and pathology departments.

Question: Explain what kind of research will be conducted in the renovated facility, and why such extensive renovations will be needed in order to accommodate this research.

Answer: The Department of Zoological Research is involved in basic research in animal behavior, sociobiology, ecology, physiology, nutrition, and genetics. Our research emphasizes whole animal biology and thus our captive animals must be healthy, housed in optimal conditions for displaying natural behavior and not under any stress. The hospital and research facility was poorly designed from the start and constructed to accommodate three separate functions: research, animal health, and pathology. It served none of its functions well which is why we have requested a new veterinary hospital and renovated research space. For example, we have been maintaining a large off-exhibit animal collection in rooms which were never built to house animals. The HVAC systems were also not designed to serve the sheer numbers of animals and people that immediately occupied the building. While the programs of the Department have expanded to include nutritional, physiological, and genetics studies, it has not had access to appropriate space to carry out these programs. Thus, half of the genetics program is housed at the National Institutes of Health. Basically, the current building has insufficient laboratory and office space and very poorly designed animal holding space as well as an HVAC system which needs to be totally replaced.

The Department of Zoological Research provides advanced training and research opportunities at the undergraduate, graduate and post-doctoral level. Although the Department employs only six Ph.D. level staff, in the past 12 months its research activities have involved 16 individuals at a post-doctoral level (recent or advanced), 17 graduate students and 9 undergraduates or recent graduates. These 43 individuals represent 24 universities in 16 states and 3 foreign countries.

Question: Provide a breakdown of the $2,500,000 estimate for the record. Is the design complete? If not, when will it be?

Answer: The cost breakdown of the $2,500,000 is as follows:

Roof Replacement	$ 78,250
Mechanical System Replacement	1,250,000
Asbestos Removal	63,500
Climate Control Rooms	52,750
Demolition	47,256
Site Work	13,250
Conversion of Hospital Facilities	
a. Convert to Research Offices ($40/sf X 13,000sf)	520,000
b. Convert to Research Laboratories ($100/sf X 4,000sf)	400,000
Contingency	74,994
TOTAL	$2,500,000

The design will be completed by March 1987 with anticipated construction contract award in September 1987.

Question: $600,000 is requested for Phase II of the Entranceway and Olmsted Walk renovation. What is the status of Phase I construction?

Answer: Construction of Phase I of the Olmsted Walk renovation was completed in early April 1986.

Question: When do you expect to request the funding for Phase III? How much do you anticipate will be required to complete this project?

Answer: Funding for Phase III of the Olmsted Walk construction is anticipated to be requested in FY 1988. This is the most complex of the three phases, and we anticipate $3,000,000 will be required to complete this project.

Rock Creek Renovation and Repairs

Question: $1,400,000 is requested for renovations and repairs at Rock Creek, an increase of $200,000 over 1986. What is the reason for the increase over the current year's funding level?

Answer: Several building systems added to the Zoo's plant property during the late 1970s and early 1980s come due for scheduled repairs to their mechanical systems and roofs. Because the Zoo has over $150 million in plant property, $1,400,000 is the minimal amount necessary for regularly scheduled repairs and major maintenance to protect our operations.

Question: What projects do you expect to accomplish with this funding?

Answer: The projects range from replacing PCB transformers ($100,000), removing asbestos throughout the Zoo ($100,000), HVAC renovation and repairs in several buildings ($350,000), replacing roof decks in the Panda and Delicate Hoofed Stock buildings ($100,000), and replacement of high voltage feeder ($200,000) to Hardy Hoofed Stock Exhibit areas renovation ($300,000) and Elephant House interior renovation ($250,000).

National Zoological Park -- Private Fundraising

Question: A recent news article indicated the Zoo is going to seek large private donations in order to proceed with some projects that would not otherwise be possible in the near future, such as the African plains exhibit. Has this fundraising effort begun? What are your goals?

Answer: The fundraising effort is just beginning. We are currently seeking a development person to plan our overall development program. Our initial efforts have concentrated on seeking funds to support the equipment and research activities in our medical programs. Our ultimate goal is to seek capital funds and other support to supplement our Federal budget for the overall enhancement of our exhibition, collections and research programs.

African Plains Exhibit

Question: How much would the African Plains exhibit cost? When do you hope to begin it?

Answer: The African Plains exhibit is estimated to cost $4,000,000. We hope to begin construction in FY 1990.

Golden Lion Tamarin Recovery Program

Question: What is the status of the golden lion tamarin recovery effort?

Answer: The Golden Lion Tamarin Reintroduction Program is progressing extremely well. In August 1985 we released 3 groups, totalling 11 animals and 10 currently survive in the wild. We have had an additional birth this year and other females may be pregnant. Survivorship from the second set of reintroductions is vastly improved over the first release due to our increased understanding of the animals' requirements. We are hoping to set up a third set of releases to include larger numbers of animals in isolated forest patches on private land. We can proceed with such an effort since our conservation education programs are having outstanding results in enlisting local support for this species' preservation.

Automation Efforts

Question: P. 62. The request for the National Museum of American History is $12,357,000, an increase of $1,015,000 over 1986 adjusted. Last year, increases were provided for a number of the museums to continue their automation efforts. By museum, what is the base that will be available in FY 1987 for this effort? Provide a summary of what will be accomplished with these funds in 1987, and how long the acquisition program is expected to run for each museum or office.

Answer: The application of automated systems to the Smithsonian's research, collections management, exhibition, public service and other programs has become an important catalyst in maintaining the Institution's leadership role in the museum and academic communities, both nationally and internationally. In particular, the development of the automated data processing capabilities throughout the Institution's museums and research bureaus, as well as the development of Institution-wide software systems, has been a budget priority since FY 1984.

In FY 1986, particular attention was devoted to providing adequate base levels of funding for automation at the Institution's museums, which traditionally had not been able to take full advantage of the applications of automated systems to their programs and many of which had no base funding available to establish the needed automated systems. Increases totaling $213,000 were provided in FY 1986 to further automation efforts in these bureaus: the National Museum of American History ($57,000); the National Museum of American Art ($27,000); the National Portrait Gallery ($20,000); the Hirshhorn Museum and Sculpture Garden ($22,000); the Center for Asian Art ($17,000); the Archives of American Art ($20,000); the Cooper-Hewitt Museum ($25,000); and the National Museum of African Art ($25,000).

Approval of the FY 1987 budget as requested would provide the History and Art bureaus with base funding for automation as follows:

National Museum of American History ($300,000): A sum of $183,000 will support the personnel costs of five full-time positions and one term position. The remaining $117,000 will be used for contractual services for annual hardware/software maintenance and service ($86,000); the purchase of computer parts and supplies ($13,000); and training, networking and office supply needs ($18,000). The automation acquisition program is expected to continue until FY 1991.

National Museum of American Art ($160,000): A sum of $78,600 will support the personnel costs of three positions. An amount of $68,500 will be needed for central Smithsonian computer services and $12,900 will be used for supplies, training and computer maintenance contracts. Base resources will be needed for continual repair and replacement of obsolete equipment.

National Portrait Gallery ($20,000): The increase received in FY 1986 established a base of funding for automation at the National Portrait Gallery. In FY 1987, this funding will be used for the purchase of hardware ($9,000); the purchase of software and supplies ($2,000); and contractual services for computer consultant services, equipment maintenance, and staff training ($9,000). With this base of $20,000, it will take 10 years to equip all offices with computers.

Hirshhorn Museum and Sculpture Garden ($22,000): The increase received in FY 1986 established a base of funding for automation at the Hirshhorn Museum. In FY 1987, the Museum will purchase additional computer work stations. The

Museum's computer equipment acquisition program will continue over the next four years.

Center for Asian Art ($92,000): In FY 1987, an amount of $67,000 will be used to purchase a central file server that will function as a central processing unit to link all the existing computers within the Center for Asian Art together, as well as to the central Smithsonian computer; and to purchase additional computers, terminals and printers for new staff hired in FY 1986 and FY 1987. The requested increase of $25,000 for FY 1987 will allow the Center for Asian Art to hire a systems administrator to oversee and ensure the appropriate growth of the Center's automation facilities. It is anticipated that the automation acquisition program will run for a minimum of five years. During this time, the acquisition program will be gradually converted into an upgrading, maintenance and replacement program.

Archives of American Art ($20,000): The increase received in FY 1986 established a base of funding for automation at the Archives of American Art. In FY 1987, this funding will be used for contractual services for computer hardware maintenance ($10,000) and central computer services ($10,000). The Archives of American Art expects to have an ongoing automation acquisition program, which would provide a three-year revolving replacement cycle.

Cooper-Hewitt Museum ($25,000): The increase received in FY 1986 established a base of funding for automation at the Cooper-Hewitt Museum. This funding has enabled the Museum to hire a management analyst, who is developing a basic automation planning policy for the Museum, in cooperation with the Smithsonian's Office of Information Resource Management. This policy will provide a rational, efficient basis to guide the Museum's ongoing automation work in the decade ahead.

National Museum of African Art ($100,000): The increase received in FY 1986 established a base of funding for automation at the National Museum of African Art. This funding, in addition to the increase requested for FY 1987, will provide $100,000 in funding for automation in FY 1987. A sum of $7,000 will support the partial-year personnel costs of a computer assistant. (Full-year funding for this position is anticipated in the FY 1988 budget.) In addition, the Museum will purchase workstations and software ($65,500); and contractual services for maintenance of equipment ($12,500), central computer services ($13,000), and staff training ($2,000). At this level of funding, it will take four years to equip the Museum with the basic automation equipment required for its curatorial, conservation, collections management, education, and photographic archival functions.

National Museum of American History Space Study

Question: The budget notes that in FY 1985 the museum began a planning effort to document space requirements for both the short and long (20 years) term. When will this effort be completed?

Answer: This study of space needs has already been completed in preliminary form. It will take approximately three months to finish the refinement and verification of current data and to write the final report.

Question: What do you anticipate will be required as a result of this planning effort?

Answer: Two major areas of concern identified to date have been the need for additional collections storage space both in the short-term and the long-term. During the short-term, the Museum has an immediate requirement for approximately 20,000 square feet of collections storage space to serve as a staging area and temporary storage for collections displaced during the phased renovation of the building's utilities and environmental systems. During the next 20 years, the Museum estimates that it will require an additional 100,000 square feet of collections storage space to accommodate the growth of its collections. Moreover, during this period the Museum will also need to secure 110,000 square feet of collections storage space to replace its storage buildings at Suitland, Maryland, which will have exceeded their life expectancy by that time. Specific recommendations to address these needs will be formulated upon completion of the final report.

Asbestos Decontamination at Suitland

Question: On page 67, the budget discusses the asbestos decontamination effort at Suitland. When do you expect to complete this effort? How much is budgeted in FY 1986 and 1987 for this effort?

Answer: The asbestos decontamination effort at Silver Hill began in FY 1985 and was projected to be a five-year project. Due to the Gramm-Rudman-Hollings reduction and other funding reductions, the FY 1986 level budgeted for this program is currently $141,000. If the FY 1987 budget is approved as requested, this would provide a level of $211,000 in FY 1987 through the currently anticipated completion date of FY 1991.

Move to the Museum Support Center

Question: How much is budgeted in FY 1987 for the move to the Museum Support Center? What exactly will be accomplished during that year?

Answer: An amount of $862,000 is requested in FY 1987 under the MSC line-item for the MSC move. These funds will be used to continue the process of preparing the collections in the National Museum of Natural History and the National Museum of American History for the move and to start the actual transfer of collections to the Museum Support Center. The funds will support temporary personnel, procurement of needed supplies, contractual services for the development and operation of a program for cleaning museum objects contaminated with asbestos, and fumigation services. Under existing schedules (which are subject to the contractor's delivery of storage cabinets), the National Museum of Natural History will start the actual transfer of collections in May 1987, and the National Museum of American History in July 1987.

For the Museum of Natural History, collections from the Department of Anthropology will be moved first, followed by collections from the Departments of Entomology, Vertebrate Zoology, and Botany. For the Museum of American History, collections from the Divisions of Textiles, Costumes, Political History, and Graphic Arts will be the first to be relocated. As collections from designated departments and divisions of the museums are moved in a planned sequence to the MSC, preparatory work will continue in other departments so that those collections in turn will be ready for relocation in the order established for the overall move. The dual process of preparation and relocation will continue until the move is completed.

American Visions

Question: The museum provided assistance to the Afro-American magazine American Visions, which premiered earlier this year. What kind of assistance was provided? Will this assistance continue? What are the current plans for the magazine?

Answer: Since 1983, the Museum of American History has provided assistance to the American Visions Project in the form of office space and office-type support services at no charge. During FY 1984 and 1985, the Visions Foundation received in excess of $250,000 in nonappropriated Trust funds from the Institution to support the initial research and development stages of the American Visions magazine. Direct support has now been terminated by the Regents, and is not expected to resume. With the publication of the first issue earlier this year, it is hoped that the Visions Foundation will be able to secure outside funding and that the magazine will eventually become self-supporting.

American History Research Center

Question: The budget discusses establishment of a research center for the study of American history in FY 1986. This wasn't mentioned in last year's budget justification. Will establishment of this center require the redirection of any funds from other activities? If so, how much and from what sources?

Answer: The Museum had planned to establish a research center for the study of American history through the intregration of several existing research centers of the Museum, including the Eisenhower Institute, the Afro-American Research Project, the Archives Center, and the journal Technology and Culture. The planned establishment of this center, which would have required the redirection of existing personnel and support, has been deferred because of the impact of the Gramm-Rudman-Hollings reduction in FY 1986.

Bicentennial of the Constitution Exhibition on Japanese-Americans

Question: An increase of $185,000 is requested for the Constitution Bicentennial exhibit on Japanese-Americans. Will this become a permanent exhibit?

Answer: The current projected duration of the exhibition "The Japanese-American Experience in World War II," presented to commemorate the bicentennial of the U.S. Constitution, is five years. After the close of this exhibition, major portions of the military portions of the exhibition dealing specifically with the 442nd Regimental Combat Team will be incorporated into the permanent Armed Forces hall.

85. Question: What is the current level of the reinstallation program budget? How will it be used in FY 1987?

Answer: The reinstallation budget, formerly at $525,000, has been reduced to $283,000 because of the Gramm-Rudman-Hollings reduction and other across-the-board budget reductions. If the FY 1987 budget is approved as requested, this level of funding in FY 1987 will support the research and planning phases for the next federally-funded permanent reinstallation, "Life in America - 19th Century."

Question: Why is it necessary to purchase a new extensive audio-visual system for the exhibit? Are there no existing ones that can be used? What is the proposed system's cost?

Answer: The video disc system to be employed in this exhibition has been utilized in other museums, but not at the Museum of American History. The random access capability enables the curator and designer much greater flexibility in providing audio-visual programs with which the visitor can interact. No existing equipment at NMAH can accomplish our goals, nor could such equipment be borrowed. The complete cost of the proposed system has not been finalized. However, the estimated cost for hardware is $20,000.

Question: How much of the request will be used to relocate the National Fire Arms Collection on the mezzanine? Will the collection stay there permanently?

Answer: Approximately $100,000 of the funding requested for this exhibition in FY 1987 will be used to relocate the National Fire Arms Collection and other military history collections on the mezzanine. Both the exhibition display space on the mezzanine level and the collections storage space on the main floor level will be especially designed for the strict security requirements necessary for fire arms and it is anticipated that these collections will remain there permanently.

Information Exhibit

Question: The budget notes that two grants have been received from IBM for research work needed to plan an information exhibit. What are your plans for this exhibit? How much is it expected to cost? Will appropriated funds be required?

Answer: Scheduled to open in FY 1989, this exhibition, which will deal with the social and cultural implications of the application of new information technology, will replace and dramatically extend the current computer exhibition. The total cost of the exhibition is estimated to be $4.3 million, to be provided entirely from nonappropriated sources of funding. It will occupy 12,000 square feet of exhibition space on the first floor of the Museum.

Renwick Gallery

Question: P. 72. The request for the National Museum of American Art is $4,959,000, an increase of $359,000 over 1986 adjusted. What plans does the museum have for the Renwick Gallery?

Answer: At present, the Renwick continues to function as the National Museum of American Art's department of crafts, and to maintain a program of collecting, research, and exhibition of contemporary craft objects from approximately 1930 to the present. The Assistant Secretary for Museums is currently reviewing the future use of the Renwick Gallery, as well as the continuing Smithsonian programs in the area of the decorative arts and crafts.

Inventory of American Sculpture

Question: An increase of $60,000 is requested to continue development of the Inventory of American Sculpture. What is in the base for this effort?

Answer: The current (FY 1986) base for this effort is $41,900.

Question: How long is the entire project expected to take? When will the field survey portion of the project be completed?

Answer: At the requested level of funding, the establishment of a comprehensive registry, including necessary field surveys, is anticipated to take ten years. As an established research data base, a small ongoing effort will be required to keep data current and serve the national research community.

Inventory of American Paintings

Question: Do you have any plans to bring the Inventory of American Paintings up through 1950?

Answer: This possibility is under active consideration; however, given the large number of paintings involved, considerable additional funding may be required.

National Museum of American Art Deaccessioning

Question: The Museum had plans for deaccessioning certain works of art. What were the results of this effort? How much was received for the art works involved? How will the funds be used?

Answer: A total of 79 deaccessioned artworks have been offered at public auction in New York since September, 1985. Sixty-nine works have been sold for a gross of $170,115 (commissions and other expenses are still being computed), and the remaining ten works will be reoffered in the near future. All funds realized will be used to acquire artworks for the Museum's collection.

Requests for Smithsonian Services

Question: Earlier this year, it was reported that four members of the museum's design staff, including the chief of design, went to Georgetown to move a sculpture for a private citizen, a member of the museum's advisory commission. What policy does the museum, or the Smithsonian in general, have in place, to govern such requests? Do all such requests for assistance go through the director?

Answer: The NMAA has no specific policy governing such requests. This unprecedented request from a donor was therefore left to the discretion of the director.

Question: Has any consideration been given to charging a fee for such services (as the National Gallery says it does in similar cases)?

Answer: Because the Museum is not in the business of providing services of this sort to the public, a fee schedule has not been developed. However, some sort of consideration in return for such services is certainly merited and is being explored.

"Portraits of Distinguished American Jurists"

Question: P. 78. The request for the National Portrait Gallery is $3,770,000, an increase of $324,000. The increase includes a program increase of $80,000 for initial planning and research for a Bicentennial of the Constitution exhibition titled "Portraits of Distinguished American Jurists." What is the exhibition base funding of the Gallery? what can't some or all of the costs for this exhibit come from this base funding?

Answer: There is no constant, established base funding for exhibitions each year in the National Portrait Gallery budget. Various budgeted amounts, in the "other objects" accounts for installation of works of art, publications, etc., are established each year depending upon the exhibition plans for which the Gallery is already committed. In FY 1985, this amounted to approximately $225,000; for FY 1986 and 1987, this amount will be somewhat less, owing to the sequestration of funds due to the Gramm-Rudman-Hollings reduction. The exhibitions centering upon the celebration of the Bicentennial of the Constitution, for which this increase is sought, were not among the previously committed exhibitions. In order to produce the exhibitions commemorating the Bicentennial of the Constitution with base funds, the National Portrait Gallery would have to cancel one of its already scheduled exhibitions and this would be inappropriate since contractual obligations have already been made for these other shows.

Question: Since the exhibit won't open until the spring of 1988, why is it necessary to fund the typesetting and publication costs for the exhibition catalogue ($50,000) in FY 1987? When will the catalogue actually be published?

Answer: Catalogue preparation must take place long in advance of the actual opening of the exhibition. For an exhibition opening in the spring of 1988, the typesetting for the catalogue must take place more than six months ahead of time, and work cannot be contracted without the funds being made available in the budget for FY 1987.

Hirshhorn Deaccessioning

Question: P. 84. The request for the Hirshhorn Museum and Sculpture Garden is $3,233,000, an increase of $248,000. Has the deaccessioning of works planned last year been completed? How many works were involved? At what value?

Answer: The Hirshhorn Museum and Sculpture Garden has deaccessioned 335 objects to other Smithsonian Institution bureaus. The items have come from the Special Collections and were objects that are not commonly held by museums of modern and contemporary art. Since these 335 items were transferred to other Smithsonian Institution bureaus from the Hirshhorn Museum no value was assigned.

The Hirshhorn Museum and Sculpture Garden has also signed a contract with Christie, Manson & Woods to sell at auction 39 works of art from the permanent collection, with a pre-sale estimate of $1,500,000.

Hirshhorn Bequest

Question: An increase of $40,000 is requested to research and catalogue 6,000 works of art added by the Hirshhorn bequest. Last year, you identified $100,000 as the amount you expected to be needed for this purpose. What is the difference?

Answer: In FY 1984, the Hirshhorn Museum and Sculpture Garden requested $200,000 from the Congress to finance the inclusion of the bequest of Mr. Hirshhorn into our permanent collection. An amount of $125,000 was appropriated by the Congress for this purpose. Included in the request were funds to be used to rent space in which to process the bequest as well as to publish a catalogue and to make this new material accessible to other museums and study centers. The bequest was not received in FY 1984 and the funds were reduced from our base.

The request of $100,000 to process the bequest was reduced by the Smithsonian Institution to $40,000, which is in the current submission. The major difference between the two requests is that with the smaller appropriation, the bequest will be processed into the collection over a longer time. It is estimated that it will take more than twice as long at the $40,000 level than it would have at the higher level. A number of other things have also been rethought since the initial request was made in FY 1984. Currently the bequest is being housed temporarily in the Hirshhorn Museum. The original budget included the salaries of several employees to help process the material. Since the material is in the Museum, current employees are directing their efforts to the bequest.

Question: Is any conservation work expected to be required? If so, is it covered in this request?

Answer: There will be some conservation work required on the material in the bequest. The chief conservator and his staff are currently examining the bequest to ascertain the amount, nature and cost of the conservation. We do not expect to come back to the Congress for any additional funds for conservation. The work can be accomplished with existing staff and funds, provided there are no further budget reductions.

Freer Expansion Project

Question: P. 88. The request for the Center for Asian Art is $4,106,000, an increase of $1,160,000 over 1986 adjusted. There is also a request of $2,500,000 under Restoration and renovation of buildings for a modified version of the Freer expansion project, which was not appproved last year; and $4,000,000 as a final increment of construction funding for the Quadrangle.

With regard to the Freer project, what is the cost per square foot for the modified project, compared to that proposed last year? How is that figure arrived at?

Answer: The current design concept to acquire additional space within the confines of the Freer Gallery includes excavating one level of the courtyard only down to the existing footings, and to lower a portion of the existing sub-basement level to provide sufficient headroom for collection storage purposes. These two areas are expected to provide approximately 10,000 sq. ft. of collection storage space at a cost of $2,500,000, or approximately $250 per square foot. This compares with $330 per square foot for the project in the FY 1986 request.

Question: Is design included in the $2,500,000 request? What about storage or other equipment? Will there be any other additional costs required to complete the project in the future?

Answer: Approximately $150,000 of the $2.5 million estimate for Freer Gallery expansion space will be applied to project design costs. Approximately $25,000 is included for floor covering. No other equipment is budgeted within the construction estimate. Funds estimated at $2,700,000 for collection storage and other equipping will be requested over a several year period as part of the Gallery's budget requests.

Question: Has the authorizing committee looked at this request? Do you know if they object to or approve this modified version of the project they originally opposed last year?

Answer: Authorization committee staff are aware of the revised Freer project concept and the request for $2,500,000 in the FY 1987 budget. No formal action has been proposed.

Question: Construction of the Freer link, which is included in the Quadrangle construction project, was originally intended for FY 1986, but has now been moved to FY 1987. According to a reprogramming letter recently submitted to the Committee, one of the reasons for the delay is "delays in design." What has caused the design delays? When will they be complete?

Answer: As it became apparent that a Freer collection space expansion project would not be funded at the $5.0 million level, the Institution suspended design work on the link last fall until a revised and less expensive design concept could be developed for collection space. This work was completed and the architect/engineer was directed to resume detailed design work on the total project in mid-March. Working drawings are expected to be completed next December.

Quadrangle Construction Funding

Question: Your justification reflects the proposed changes to the Quadrangle outlined in the reprogramming letter. This does not make clear what will be accomplished with the $3,805,000 (after Gramm-Rudman) received for the project in FY 1986. Please provide a breakdown of how these funds will be used for the record.

Answer: The $3,805,000 received in FY 1986 will be used to purchase equipment and furnishings.

Quadrangle Occupation

Question: Occupancy of the staff areas in the Quadrangle is now expected by June 1986, although last year it was expected by February. What is the reason for the delay?

Answer: The General Services Administration had issued two 60-day non-compensatory time extensions to the construction contractor because of the severe weather experienced during the winter of 1984-85 and other unforeseen delaying factors. This four-month construction delay is the principal reason for the change in the anticipated date of occupancy. Staff occupancy is expected to begin in June 1986 and to be completed in September. This delay is not expected to delay the public opening of the Quadrangle complex in May-June 1987.

Quadrangle Construction Funding-Federal/Trust Match

Question: Although the budget request to complete construction is $4,000,000, the amount of Trust funds to match the Federal contribution will only be $2,630,000. What is the basis for this lower amount? Why should the Federal contribution exceed the private contributions?

Answer: Our estimate is that pledges amounting to $4,235,000 will not materialize of which one particular expected donation constitutes the major amount. Furthermore, based on a recent appraisal, it is expected that the African Art properties may sell for somewhat less than the estimate of $2 million that has been used in our budget planning. Offsetting these losses, however, is larger than anticipated interest income on funds in hand for the project. The net effect is that we expect to have a total of $35.9 million in trust funds against a revised (and lower) total project cost of $73.2 million as shown in our FY 1987 budget. Consequently the budget document showed a need for $37.3 million in federal appropriations, of which $33.3 million has been appropriated through FY 1986.

As the budget justification and reprogramming letter stated, we expect to place orders and fully obligate funds for furnishings this year. That work is well underway and thus far we are obtaining very competitive prices. While it is too early to reassess the effects of these favorable developments on the overall cost of the project, we expect to be able to do that and so inform you prior to your Committee's action on the request. It may be possible to lower the requirement for appropriated funds but, if not, we will suggest a strategy with regard to the matching requirement.

Quadrangle Public Opening

Question: When exactly do you now expect the Quadrangle to open to the public?

Answer: We plan to open the Quadrangle garden fully in September 1986 and to have a series of special events in early June 1987, with public openings of the Museum of African Art, the Sackler Gallery and the International Center to take place on about June 15, 1987.

Sackler Gallery Staffing

Question: A program increase of $934,000 and 22 workyears is requested for Quadrangle-related programs. Provide a breakdown of which positions were funded (and for what portion of the year) with the funds provided in FY 1986; and how the 10 workyears and $272,000 requested for those positions in FY 1987 will be allocated.

Answer: The FY 1986 appropriation included partial-year funding of 17 new positions for the Sackler Gallery for Quadrangle-related support (7 workyears and $172,000). For FY 1987, an amount of 10 workyears and $272,000 is required to annualize this funding to provide for the full year costs of these positions. The following table provides a breakdown of the FY 1986 and FY 1987 costs for these positions:

FY 1986 Positions/ (Portion of fiscal year)	FY 1986 Budget		Costs to Annualize FY 1986 Positions In FY 1987		Full Year Costs	
	FTE	$000s	FTE	$000s	FTE	$000s
Exhibit Designer (FY 1986 = ½ year)	0.50	25	0.50	25	1.0	50
Graphics Designer (FY 1986 = ¼ year)	0.25	8	0.75	28	1.0	36
Woodcrafter (FY 1986 = ¼ year)	0.25	6	0.75	19	1.0	25
Painter Asst. (FY 1986 = ¼ year)	0.25	4	0.75	15	1.0	19
Carpenter (FY 1986 = ¼ year)	0.25	5	0.75	17	1.0	22
Asst. Curator (FY 1986 = ¼ year)	0.25	7	0.75	23	1.0	30
Registration Secretary (FY 1986 = 3/4 year)	0.75	11	0.25	5	1.0	16
Photographer (FY 1986 = ½ year)	0.50	10	0.50	10	1.0	20
Conservation Technician (FY 1986 = 3/4 year)	0.75	14	0.25	6	1.0	20
Oriental Art Restoration Specialist (FY 1986 = ¼ year)	0.25	6	0.75	19	1.0	25
Curatorial Secretary (FY 1986 = ¼ year)	0.25	4	0.75	12	1.0	16
Library Aide FY 1986 = ¼ year)	0.25	3	0.75	13	1.0	16
Education Specialist (FY 1986 = ¼ year)	0.25	5	0.75	20	1.0	25
Editor (FY 1986 = ½ year)	0.50	20	0.50	22	1.0	42
Accounting Technician (FY 1986 = Full year)	1.00	20	0.0	0	1.0	20
Public Affairs Specialist (FY 1986 = ½ year)	0.50	20	0.50	22	1.0	42
Secretary (FY 1986 = ¼ year)	0.25	4	0.75	16	1.0	20
TOTAL	7.00	172	10.00	272	17.00	444

Sackler Gallery Exhibition Base

Question: Since the request for an exhibitions base last year was $1,105,000, how have you arrived at a figure of $1.2 million for the base, as indicated on p. 95?

Answer: The figure $1.2 million includes $95,000 (received in FY 1985 to hire an exhibit specialist and to construct a case prototype) and $1,153,000, received in FY 1986 for exhibition expenses ($1,105,000) and to hire a woodcrafter, carpenter, painter's assistant and exhibition designer in the latter part of FY 1986 ($48,000).

Sackler Travel Request

Question: What is the justification for the increase of $10,000 (+59%) for travel?

Answer: The FY 1986 base for travel funds was only $17,000. The chief reason for the request for the increase of $10,000 for travel is that the Sackler Gallery is planning a continuous traveling exhibition program that requires curatorial, conservation and administrative staff to develop, arrange and negotiate traveling exhibitions. Travel for such exhibitions requires both domestic and international (principally in Asian countries) travel. A secondary reason for the increase is the additional staff who will require travel funds for research on collections, new acquisitions and exhibitions. The travel budget started from a low base ($17,000) which was matched to a smaller staff. Increases are now needed to match the expanded staff and their level of activity, and to allow proper planning for the exhibition program.

Archives of American Art Publications

Question: P. 98. The request for the Archives of American Art is $931,000, an increase of $73,000 over 1986 adjusted. Included is $25,000 to establish a base to publish a series of interpretive works on the Archives' collections. For whose use are these publications intended?

Answer: These publications will serve two groups-the Archives' basic constituency of historians and graduate students in American art history and American Studies; and a wider public who take a strong if non-professional interest in the visual arts. Detailed thematic or subject matter guides to the collections would describe relevant research material on such fields as the New Deal art projects, the American Academy in Rome, and 19th and 20th-century art patronage in America. Other volumes would offer authoritative essays on aspects of American cultural history. Still others would consist of especially significant unpublished diaries and correspondence series, presented with scholarly introductions and full editorial commentary.

Question: How many in total are planned? Over what timeframe?

Answer: One volume per year over an indefinite period is planned.

Question: Why can't other funds be redirected from within the program base for this purpose?

Answer: Currently, there are no base funds available for publications. Approximately 91 percent of the FY 1986 funding for the Archives of American Art (after the Gramm-Rudman-Hollings reduction and the OMB Grade Target Reduction) is committed to personnel costs, necessary travel, and contractual services for collections management requirements. The balance of its funding (approximately $77,000) is required to provide for essential supplies and equipment for the six Regional Centers. The requested increase of $25,000 will establish a base of funding for publications.

Archives of American Art New York Move

Question: The March Regents' newsletter indicates the Archives may be moving into new space in New York early in 1987. Will the new space be larger than the current space? How will the costs compare?

Answer: The Smithsonian Institution is presently negotiating a lease and planning for space in the Equitable Center for the Archives of American Art in New York City, with an anticipated move scheduled in January or February, 1987. The new space will be larger by 3,452 square feet than the Archives' current space in the American Federation of Arts Building; the Equitable space being 5,000 square feet, the AFA space being 1,548 square feet. The New York office of the Archives houses both the national administrative headquarters and the New York Regional Center, which handles more than half the total documents collected annually by the Archives and serves more than 1,000 researchers every year (there have been frequent times in the past several years when researchers have been turned away due to lack of space). The new space will be able to accommodate ten researchers at a time (an increase of four) in addition to twelve staff members and contractors working on special projects, as well as Trustees, Committee Chairman, and other volunteers working on Archives programs.

The rental cost for the current AFA space is $58,000 a year. The cost for the Equitable space will be $130,000 a year - a difference of $72,000. On a square footage basis, the AFA space cost $37.47, and the Equitable space will cost $26.00, or $11.47 less per square foot.

Question: Will the costs of the new space come from Federal or other funds?

Answer: The cost of space rental for the Archives of American Art's facilities in New York are paid by Federal funds. Funding for the increased rental costs for the new space is requested in the FY 1987 budget.

Cooper-Hewitt Research Request

Question: P. 102. The request for the Cooper-Hewitt Museum is $1,011,000, an increase of $108,000 over 1986 adjusted. $50,000 of the requested increase is to "reinforce the Cooper-Hewitt's research capabilities." Can you be more specific as to how these funds would be used, and for what purpose? What kind of "support" will be provided to the researchers who use the C-H collections for study?

Answer: The funds will be used to contract for qualified professionals who would be allowed to pursue research on some selected aspect of the Museum's diverse collections, thus allowing more adequate time for curatorial personnel to study the collections in depth and to shape the collections through coordinated acquisitions and related procedures. Support for the researchers will range from basic supplies to the purchase of specialized services and research materials (xerox costs, books, photographs, etc.) relevant to a topic's investigation or the provision of clerical support in the production of a finished project.

Question: How long is this effort expected to last?

Answer: This funding would provide an essential permanent enhancement of the Museum's ability to study, interpret, and analyze its large and diverse collections and thus is requested as an increase to the Museum's Federal base. Individual research projects sponsored with this funding could last from several weeks to a period of two to three years, depending upon the specific project.

National Museum of African Art Staffing

Question: P. 107. The request for the National Museum of African Art is $3,342,000, an increase of $829,000 over the 1986 adjusted level. As with the Sackler Gallery, provide a breakdown of the positions funded in FY 1986, and how the requested increase of 6 workyears and $136,000 in FY 1987 will be allocated to those positions.

Answer: The FY 1986 appropriation included partial-year funding of 14 new positions for the National Museum of African Art for Quadrangle-related support (8 workyears and $191,000). For FY 1987, an amount of 6 workyears and $136,000 is required to annualize this funding to provide for the full year costs of these positions. The following table provides a breakdown of the FY 1986 and FY 1987 costs for these positions:

FY 1986 Positions/ (Portion of fiscal year)	FY 1986 Budget		Costs to Annualize FY 1986 Positions In FY 1987		Full Year Costs	
	FTE	$000s	FTE	$000s	FTE	$000s
Writer/Editor (FY 1986 = full year)	1.00	25	0.00	0	1.0	25
Graphic Designer (FY 1986 = 1/4 year)	0.25	5	0.75	20	1.0	25
Exhibit Production Asst. (FY 1986 = 1/4 year)	0.25	4	0.75	12	1.0	16
Carpenter (FY 1986 = 1/4 year)	0.25	5	0.75	17	1.0	22
Shop Foreman (FY 1986 = 1/2 year)	0.50	12	0.50	12	1.0	24
Photographer (FY 1986 = 3/4 year)	0.75	23	0.25	7	1.0	30
Museum Technicians (2) (FY 1986 = 1/4 year each)	0.50	8	1.50	24	2.0	32
Education Specialist (FY 1986 = 3/4 year)	0.75	22	0.25	8	1.0	30
Docent/Intern Coordinator (FY 1986 = 1/2 year)	0.50	11	0.50	14	1.0	25
Curator (Research) (FY 1986 = 3/4 year)	0.75	35	0.25	15	1.0	50
Secretary (FY 1986 = full year)	1.00	16	0.00	0	1.0	16
Administrative Asst. (FY 1986 = full year)	1.00	16	0.00	0	1.0	16
Clerk/Typist (FY 1986 = 1/2 year)	0.50	9	0.50	7	1.0	16
TOTAL	8.00	191	6.00	136	14.00	327

National Museum of African Art — Move to the Quadrangle

Question: When exactly do you plan to move into the Quadrangle?

Answer: Present plans call for the National Museum of African Art to move during the months of July and August 1986.

Quadrangle Public Information Campaign

Question: P. 118. The request for the Assistant Secretary for Public Service is $1,257,000, an increase of $67,000 over 1986 adjusted. Included is $31,000 for an information campaign connected with the opening of the Quadrangle. Why can't this effort be funded from base funds?

Answer: The public information campaign for the opening of the Quadrangle cannot be funded with base funds from the Office of Public Affairs because no funds are available for reprogramming from basic operating requirements to meet this important need. Some 80% of budgeted funds are allotted to personnel costs, with the remaining 20% representing the amount required for essential support expenses.

The central Office of Public Affairs has never been called upon to publicize a series of events of this magnitude and complexity. The Quadrangle project does not involve merely opening a new building, but rather what is, from an architectural perspective, three independent underground structures. Two of these are new museums and the third is a complex of bureaus and offices including the new International Center. The challenge of opening all these entities -- serving the constituencies of each and allowing each to maintain its separate identity while informing the public of its mandate -- is an immense and unparalleled public relations endeavor.

When any special event is sponsored by an individual bureau, the cost of associated publicity is included in the special event budget of the bureau.

One-year-only funding is requested for FY 1987 to permit a start-up information campaign for the Quadrangle and its components. In light of present and likely continuing Federal funding constraints, it is not possible for the Institution to reprogram funds to meet this essential requirement.

Question: How much is spent each year on publicizing special events or non-recurring events? Why can't these funds be used?

Answer: An amount of $9,400 is provided in the base funding level of the Office of Public Affairs to publicize special events or non-recurring events. Clearly, these funds are not sufficient to permit a publicity campaign of the magnitude required for the openings of the Quadrangle complex and of the several museums, bureaus, and offices which will be housed there.

Conservation Analytical Laboratory FY 1986 Funding

Question: P. 132. The request for the Conservation Analytical Laboratory is $2,069,000, an increase of $124,000 over 1986 adjusted. An increase of $200,000 was provided in FY 1986. How is the 1986 increase being used? Have any positions been added?

Answer: The increase of $200,000 in program funds provided in FY 1986 would have provided the full year funding for three new positions (a physical organic chemist, a photographic materials conservation scientist and an analytical chemist) (3 workyears and $125,000); other objects support for these new positions ($30,000); and expanded funding for scientific equipment ($45,000). However, because of the timing of the FY 1986 appropriation, it was not possible to start recruitment at the beginning of the fiscal year. The lapsed saving from these positions has been applied towards the Gramm-Rudman-Hollings reduction for FY 1986.

Question: How will these funds be used in FY 1987?

Answer: If the FY 1987 budget is approved as requested, the $200,000 will provide for the full year costs of the 3 positions (3 workyears and $125,000); basic program support related to these new positions ($30,000); and expanded funding for scientific equipment ($45,000).

Smithsonian Institution Libraries Bibliographic System

Question: P. 137. The request for the Smithsonian Institution Libraries is $4,836,000, an increase of $381,000 over 1986 adjusted. When will you complete the last phase of converting the manual bibliographic records into machine readable format (p. 139)? What exactly will you accomplish in FY 1987?

Answer: The conversion of manual records will be completed in FY 1988. In FY 1987, it is anticipated that 77,000 records will be converted to machine readable format, assuming the receipt of the FY 1987 budget as requested. This would leave a balance of 13,000 records to be processed in FY 1988.

Smithsonian Institution Libraries Quadrangle Operations

Question: An increase of $32,000 and 2 workyears is requested for Quadrangle-related support. Will this provide complete funding for the Quadrangle?

Answer: The FY 1987 budget, if approved as requested, will complete the funding for Quadrangle-related support for the National Museum of African Art library, with the funding provided in FY 1985 and FY 1986 for acquisitions, cataloguing and processing support for the African Art library collection.

Office of Exhibits Central Staffing

Question: P. 142. The request for the Office of Exhibits Central is $1,774,000, an increase of $231,000 over 1986 adjusted. Included is an increase of $141,000 and 3.5 workyears for Quadrangle-related support. 3 workyears and $75,000 are for hiring two additional exhibits specialists and one model-maker. Are these full year costs for these positions?

Answer: The funding requested in FY 1987 (3 workyears and $75,000) will provide the full year costs of the 3 new positions to be hired at the start of FY 1987.

Question: How many exhibits specialists will the office have in total, and how many model-makers, for Quadrangle support?

Answer: In addition to the 1 position funded in FY 1986 and the 3 positions requested in FY 1987, the Office of Exhibits Central has 15 exhibit specialists and 11 modelmakers, who will be available to provide additional exhibit support for the Quadrangle, as needed.

Office of Exhibits Central Exhibition Support

Question: What is the basis for the amount of $51,000 requested for support items to be used in the production of exhibitions?

Answer: The $51,000 is requested for hand tools, exhibit materials, and safety equipment needed for exhibit production. This is an estimate based on experience over the past two years in preparing African and Asian objects for exhibit installation, many of which require customized "saddles" made out of various rubber and plastic compounds. Because some of the processes are chemically based, modelmakers are required to wear safety gear.

Question: P. 145. The request for SITES is $601,000, an increase of $238,000. Included is a program increase of $183,000. For the 6 positions added in FY 1986, how many are now in place, or when will they be? What is the cost for each and the 1986 lapse rate?

Answer: The FY 1986 appropriation included partial-year funding of 6 new positions for the Smithsonian Institution Traveling Exhibition Service for Quadrangle-related support (1.5 workyears and $43,000). For FY 1987, an amount of 4.5 workyears and $129,000 is required to annualize this funding to provide for the full-year costs of these positions. The following table provides a breakdown of the FY 1986 and FY 1987 costs for these positions:

	FY 1986 Budget		Costs to Annualize FY 1986 Positions In FY 1987		Full Year Costs	
FY 1986 Positions	FTE	$000s	FTE	$000s	FTE	$000s
Research Assistant	0.25	6	0.75	19	1.0	25
Assistant Registrar for Vault	0.25	6	0.75	19	1.0	25
Education Workshop Coordinator	0.25	8	0.75	22	1.0	30
Graphics Technician	0.25	6	0.75	19	1.0	25
Exhibition Coordinator (International Gallery Exhibitions)	0.25	11	0.75	31	1.0	42
Assistant Registrar (International Gallery Exhibitions)	0.25	6	0.75	19	1.0	25
TOTAL	1.50	43	4.50	129	6.0	172

Based on the funding provided in FY 1986, the scheduled hire date for these positions is July 1, 1986. It is currently anticipated that 3 of these positions will be hired in early June and the other 3 positions in late July. Because the projected hiring schedule has been based on the time needed to fill

the positions by specific hire dates, calculations of lapse in 1986 have already been incorporated in the development of this hiring plan.

Question: Will this 1987 request for an additional 2.25 workyears bring on all the positions required to support the Quadrangle operations? If not, what are the remaining requirements?

Answer: The FY 1987 budget request includes partial-year funding of 3 new positions for the Smithsonian Institution Traveling Exhibition Service for Quadrangle-related support (2.25 workyears and $38,000). These 3 positions, will complete SITES' staffing requirements related to the Quadrangle and enable SITES to fulfill its public outreach through its new Quadrangle facilities. To provide full-year funding for these 3 positions, an amount of 0.75 workyears and $10,000 will be required in FY 1988 to annualize this funding. The following table provides a breakdown of the FY 1987 and FY 1988 costs for these positions:

FY 1987 Positions	FY 1987 Budget		Costs to Annualize FY 1987 Positions In FY 1988		Full Year Costs	
	FTE	$000s	FTE	$000s	FTE	$000s
Receptionist	0.75	13	0.25	3	1.0	16
Education Workshop Secretary	0.50	9	0.50	7	1.0	16
Registrarial Asst. for Scheduling	1.00	16	0.00	0	1.0	16
TOTAL	2.25	38	0.75	10	3.0	48

National Museum Act Authorization

Question: P. 154. The request for the National Museum Act is $772,000, an increase of $33,000 over 1986 adjusted. Last year on the floor, Mr. Frenzel objected to the Appropriations Committee continuing to fund this program, which has not been authorized since 9/30/82; and indicated he would object to the entire bill if funding were included this year. Has there been any progress on reauthorization of this program this year? If not, are there indications there will be?

Answer: On February 4, 1986, the Senate approved S. 582 reauthorizing appropriations under the National Museum Act for fiscal years 1986, 1987 and 1988.

The measure has now been referred to the Committee on House Administration before which is also pending H.R. 1337, a bill for the same purpose introduced on February 28, 1985 by Messrs. Boland, Mineta, and Conte, Congressional Members of the Smithsonian's Board of Regents.

The Task Force on Libraries and Memorials of the Committee on House Administration held a hearing August 1, 1985 on H.R. 1337. It has taken no further action on the issue and none is anticipated.

Question: If the program is not authorized by the time this bill goes to the floor, do you believe the Subcommittee should include the funding for the program anyway? Why?

Answer: If the National Museum Act is not authorized, the Smithsonian would want to retain the same funding level, in order to accomplish many of the same goals currently met by the National Museum Act. These include essential support for conservation training and internships, as well as very basic project support for the museum field. While the National Museum Act funding represents one of the most tangible ways in which the Smithsonian conducts outreach to the museum field across the entire country, it has also been very influential in making possible professional activities for which there is no other assistance.

Directorate of International Activities

Question: P. 157. The request for the Directorate of International Activities is $1,027,000, an increase of $586,000 over 1986 adjusted. The second major exhibition of the Center, scheduled for 1988, is on "Tropical Forests: A Disappearing Treasure." What will the total cost of this exhibition be?

Answer: The total cost is estimated to be $1,500,000.

Question: The requested increase includes $245,000 and 1.5 workyears for Quadrangle-related programs. When will the two positions approved in 1986 be on board?

Answer: The two positions approved in FY 1986 were originally scheduled to be hired on April 1, 1986. Because the FY 1986 appropriation provided half of the requested funding, the scheduled hiring date was delayed intil July 1, 1986. The 1.5 workyears and $41,000 increase requested in FY 1987 is required to annualize the partial year funding provided in FY 1986, based on the July 1st hire date.

Question: An increase of $141,000 is requested for the exhibition on tropical forests. Since the exhibition is not to open until the spring of 1988, couldn't some of these costs be delayed until the following fiscal year (FY 1988)?

Answer: The exhibition will open in March of 1988. As a result, all of the developmental and research work must take place during fiscal year 1987, including research for the exhibition script, the writing of the catalog, the travel necessary to obtain information for the exhibition, the filming which needs to be done--in short, all the preliminary work needed to produce the exhibition and its accompanying publication. Finished manuscript and all visuals must be in the hands of the publisher by March 1987. All exhibition script, film and visuals must be ready for fabrication bid by early Fall 1987. This means that funds necessary to produce this material must be available in fiscal year 1987.

Question: What is included in "other curatorial support"?

Answer: Other curatorial support that will be required for the "Tropical Forest" exhibition will include conducting library research to support the development of the exhibition script and catalogue, locating photographs and other graphic material to be used in the exhibition, and providing other program support to the curator and the exhibition coordinator, such as maintaining project files and other documentation.

Directorate of International Activities Courses

Question: $23,000 is requested for planning two short courses in tropical biology, beginning in FY 1988. How will the participants for these courses be selected? How many will be included?

Answer: Each course will be designed for 10-15 senior Latin American participants who will be nominated by their home institutions, such as universities, research institutes, national parks and museums. Nominees are expected to have expertise and responsibilities in areas of research and conservation parallel to those of the Smithsonian's programs. Selections will be made on the basis of their anticipated contribution to the continuing development of scientific research and to natural conservation in their countries.

Directorate of International Activities Automation

Question: $40,000 is requested for automation and research support. $20,000 of this increase is for the Visiting Scholars Program, to purchase 4 computers and related equipment. Why will 4 computers be needed for this purpose? How many scholars are anticipated to be using the Center's facilities at any one time?

Answer: It is anticipated that five to eight visiting scholars will use the International Center's facilities at any one time. The four computers are research tools and will be shared by these scholars. They will be used to draft manuscripts, and to access collections and bibliographic information from other Smithsonian computer systems and from sources outside the Institution.

Question: What local area networks are you planning to link these computers with? Are all such networks currently in place?

Answer: The computer systems that will be provided for the visiting scholars in the International Center will be able to communicate with the central Smithsonian computer, the Institution-wide software systems (such as the Smithsonian Institution Bibliographic Information System), and other small computer systems throughout the Institution by means of telephone lines and communications modems as soon as the computers for the visiting scholars are installed. At the same time, the Smithsonian is currently developing a data communications system, consisting of local area networks interconnected via a Institution-wide communications "backbone" system run through the "raceway" system being constructed between Smithsonian buildings. This communications system will allow computers throughout the Institution to communicate directly, without having to rely on telephone lines and modems. At the same time, the design of this communications systems allows each building or office to link their own computers together through the use of a local area network immediately and later be connected to the "backbone" system that will allow them access to other Institutional computer resources. The first "demonstration" local area network is anticipated to be installed during FY 1986 to link the computers in one of the bureaus. During FY 1987, it is expected that local area networks will be installed in many buildings and offices throughout the Institution, including the Quadrangle. Eventually, every computer and work station within the Institution connected to this Smithsonian-wide data communications system will be able to have access to each other's resources.

Columbus Quincentenary

Question: An increase of $245,000 is requested for the Columbus Quincentenary, to be celebrated in 1992. Aren't some of these costs premature; for example, beginning research (NMNH); consultation with non-Smithsonian scholars (NMAH); planning for folklife festivals for 1989 to 1992 (Office of Folklife Programs); negotiate with lenders for exhibition at the Portrait Gallery; research for an Earth Atlas, and liaison with other agencies (NASM)?

Answer: National and international interest in the Columbus Quincentenary began over five years ago with the establishment of National Commissions in Spain and countries in Latin America, and the sponsorship of planning conferences by the National Endowment for the Humanities beginning in 1982. In Spain, major projects are in the implementation stage. For the Smithsonian Institution, early planning for the commemoration is crucial and essential in order to develop exhibitions and programs that offer substance and coherency rather than ephemeral and superficial celebratory events. Moreover, because many organizations and institutions in the United States, Latin America and Europe are planning major exhibitions, it is necessary to make requests for borrowing specific objects as early as possible.

Question: When will the seminars, conference, and scholarly meetings planned by the International Center be held? What will the costs for 1987 be used for? What exactly will all these meetings cover, and who will be involved?

Answer: Two Quincentenary seminars will be held in FY 1987. The three-day seminars, to be held in December 1986 and March 1987, are entitled "The Americas: Cultures and Biotas in Contact." The discussion will focus on the paleoecology of the Americas, the migration of humans in the Americas and the resulting interaction. Five to seven national and international scholars and five to seven Smithsonian researchers will present the latest research in the areas of paleoecology, early archaeology, anthropology, and paleobotany in order to establish the ecology and cultural configurations of the Americas up to approximately 1000 B.C.

Having discussed the early geography and demography of the Americas, the next question to be addressed is the content and nature of the cultures that met in 1492. In May 1987, the Directorate will sponsor an international conference which will present an overview of the cultures of Spain and the Americas immediately prior to the voyage of 1492. Eight to ten invited scholars will discuss the specific social, historical, political and scientific contexts of Spain and the Americas. In this way, we will be able to provide a broad synthesis of the specific elements of each culture which would ultimate clash and then comingle to form the new cultures of the Americas. Both the seminars and conference will be open to the national and international scholarly community.

In November 1986, the Directorate of International Activities will invite scholars to meetings to discuss Quincentenary exhibitions for the International Center. Two major themes to be addressed are: (1) the history of mapping as related to systems of thought; and (2) the ways in which maps express ideas about social organization and thus serve to pattern human interactions throughout time.

Directorate of International Activities Travel Request

Question: An increase of $84,000, or over 500%, is included for travel. Provide a detailed justification of this increase.

Answer: The travel request of $84,000 is associated with planning for Quincentenary programs ($59,000); the "Tropical Forest" exhibition ($15,000); and tropical research workshop ($10,000). The requested increase for travel related to Quincentenial planning includes funding for the National Museum of Natural History for curatorial travel to institutions and repositories to identify appropriate exhibition artifacts ($7,000); for National Museum of Natural History/Museum of Man for travel to various universities to collect text materials ($2,000); for the Office of Folklife Programs to support travel of scholars from the Caribbean and Latin America for consultation meetings to determine the theme for the 1989-1992 festivals ($10,000); for the National Portrait Gallery for a consultant and staff person to locate and inspect works proposed for the exhibition ($4,000); for the Hirshhorn Museum and Sculpture Garden for two study trips to centers of art in middle and South America ($10,000); for National Air and Space Museum for national and international travel for background research ($3,500); and for the DIA to support travel of international scholars to the two seminars and the conference planned in FY 1987 ($15,000) and to support travel of scholars for International Center Quincentennial exhibitions planning ($7,500). Additional funding is also requested to support the travel costs of the curator of the "Tropical Forest" exhibition to tropical forest research sites ($15,000); and the travel costs associated with the development of the tropical biology workshops, including that of the course coordinator and the planning committee ($10,000).

International Environmental Science Program Research Data

Question: P. 169. The request for the International Environmental Science program is $752,000, an increase of $55,000 over 1986 adjusted. With regard to the monitoring of subtropical and tropical sites, how are the data generated used currently? Who are the users?

Answer: The long term physical and biological monitoring of subtropical and tropical sites under the IESP are an important adjunct to tropical research being conducted in Smithsonian bureaus. They define the situation for short-term studies and allow the scientist to cast his/her results in the context of longer term trends, that could not be recognized without long-term monitoring. They also help us to recogize unusual events (both their magnitude and their effects). Monitoring provides a perspective useful in the interpretation of the results of experimental studies carried out by many scientists who can make only short visits to the tropics.

Numerous scientists outside the Smithsonian community, especially environmental planners in developing countries, use the monitoring results developed through the International Environmental Science Program. Publications serve as a major outlet for Smithsonian research results. For example, demand for the book Ecology of a Tropical Forest, based largely on the Smithsonian monitoring studies at one particular tropical site, has been high and it is being reprinted in English. A Spanish edition of the book is also nearing publication. Finally, the Institution supplies copies of monitoring data to many individuals requesting that information.

Office of Smithsonian Symposia and Seminars

Question: P. 173. The request for Academic and Educational programs is $828,000, an increase of $90,000 over 1986 adjusted. This budget includes the Office of Smithsonian Symposia and Seminars, which "regularly administers and organizes major symposia in the Smithsonian's international series." What is the budget and staffing for this office?

Answer: In FY 1986, the budget of the Office of Smithsonian Symposia and Seminars included $99,000 in Federal funds and $296,000 in nonappropriated Trust funds, for a total budget of $395,000. The Office has 3 full-time permanent Federal positions and 2 full-time permanent Trust positions, for a total staff of 5 positions.

Question: How are the activities of this office coordinated with those of the International Center, as far as offering international symposia and seminars is concerned? Why are two such offices needed?

Answer: The Office of Smithsonian Symposia and Seminars, as a centralized office, responds to educational opportunities on an institution-wide basis, as well as carrying out special projects recommended by the Secretary, the Regents, and Congress. Frequently, these are projects requiring the resources of various bureaus and the subject foci are national on some occasions, international on others. The 1979 centennial of Einstein and the 200th anniversary of the Battle of Yorktown in 1981 as well as the planned 1987 major symposium on the 200th Anniversary of the Constitution and the Bill of Rights represent the kind of special projects which the OSSS is called upon to handle.

The programs planned for the International Center include exhibitions, conferences, colloquia, performances, film showings, lecture discussion meetings, and workshops, as well as symposia and seminars. The last two activities generally will be thematically related to the exhibitions to be presented in the International Center Gallery. In developing these areas of activities the Directorate staff will draw upon the expertise and experience of the Office of Smithsonian Symposia and Seminars (OSSS). It is intended that a collaborative relationship be established with OSSS, similar to the relationship which the Directorate has established with SITES in conjunction with exhibition development.

Bicentennial of the Constitution-International Symposium

Question: An increase of $100,000 is requested to support an international symposium on "Constitutional Roots, Rights, and Responsibilities" for the Bicentennial of the Constitution in May 1987. Will this be the total cost of the symposium?

Answer: No. We anticipate incurring expenses of some $200,000, consisting of the $100,000 amount requested in Federal funds for FY 1987, and a further $100,000 which we expect to raise from outside sources.

[illegible] Question: Provide a breakdown of the costs involved.

Answer: A breakdown of the total cost of the symposium is as follows:

1. Program		
Chairman	$ 1,500	
Essayists	24,000	
Other participants	15,000	
Travel and local expenses	32,500	
Typing Services	15,000	
Printing and duplication	17,000	
Facilities charges	10,000	
Supplies	20,000	
		$135,000
2. Publishing		
Editorial Fee	$ 20,000	
Secretary	15,000	
Production of book	15,000	
		$ 50,000
Direct costs		$185,000
Administrative costs:		15,000
Estimated total costs:		$200,000

American Overseas Research Centers

Question: Last year, under this program, $2,000,000 was requested for American Overseas Research Centers. This money was not provided; but language was added to the bill authorizing the Secretary to provide such sums as needed, from within available funds, to the Centers, if he so chose. Have any funds been provided to the Centers this year? If so, how much, and to which Centers?

Answer: Despite the continued need, no Institution funds have been provided from this appropriation to the Overseas Research Centers this year because of the stringencies imposed as a result of the Gramm-Rudman-Hollings legislation.

Question: Do you anticipate any further funding requirements this year or in FY 1987?

Answer: The Centers continue to be in need of support. During FY 1986, it is not anticipated that the Institution will be in a position to provide any funds. Support in FY 1987, if any, is yet to be determined.

Question: Would it be useful to the Smithsonian to keep the bill language in, in FY 1987?

Answer: In spite of limited resources, keeping the current bill language would reflect the continued commitment of both the Congress and the Institution to the viability of the Centers.

Museum Support Center Move

Question: P. 185. The request for the Museum Support Center is $6,366,000, an increase of $1,686,000 over 1986 adjusted. Included is a program increase of $1,450,000. What exactly is the increase of $1,300,000 for the storage system to be used for in FY 1987?

Answer: The increase of $1,300,000 will be used to acquire the last portion of storage cabinet components (shelves, drawers, special inserts and doors) needed to accommodate the collections to be relocated to the Museum Support Center under the initial move. The unit prices in the existing storage equipment contract for these components terminate on September 30, 1987. Receipt of the full amount requested is necessary to permit acquisition and installation of the quantities required. Failure to receive the increase will result in delay in the move.

Question: If this increase is provided, the total estimated amount for the storage system for the initial move, or $23,300,000, will have been provided. Did this estimate originally include the cost of the "high-bay" equipment which has been deferred? If so, how much was it estimated to cost?

Answer: The estimate of $23.3 million for "initial move" equipment shown in the FY 1986 budget request (presented to Congress in January 1985) included an amount of $1.5 million for "high-bay" storage of equipment.

At the time this information was prepared and presented to Congress, the Institution was still working with the three-tiered metal rack storage system. In March, 1985, the Institution advised the Committee that it was necessary to change to a system using concrete decks and pre-manufactured storage cabinets.

In making this change to the storage system, and after consultation with the General Services Administration and the contractor, the Institution concluded it would be advisable to utilize a portion of the funds available through FY 1986 to complete the concrete decks and utilities in those parts of the storage pods reserved for growth space while the work is being done for the decks and utilities needed for the initial move storage. The reason for this decision has to do with the nature of installation methods involved in the concrete deck system. Dirt and dust produced by pouring concrete in growth spaces in the future would be extremely harmful to collections stored in the pods during the initial move. By completing the concrete installation throughout the pods now, this serious hazard will be avoided.

Application of available funds to complete the decking and utilities reduces the amount remaining in FY 1986 to be applied to the purchase of the storage cabinet unit price components (shelves, drawers, etc.) needed to hold the collections to be relocated to the MSC during the intial move. In preparing its budget request for FY 1987, the Institution took into account the fact that the unit prices for these components are established in the existing contract and will expire on September 30, 1987.

To obtain all of the required components for the intial move before the contract expires, an amount of $4.6 million (which includes an increase of $1.3 million over the FY 1986 base) will be needed in FY 1987. This amount, which will bring the total available for the storage system in FY 1987 to $23.3 million and provide for the needed cabinets and components, does not include funding for the "high-bay" storage equipment. Since the installation of the "high-bay" system will not create the same problems or pose a danger to the collections that will already have been stored at MSC, the Institution decided to defer its acquisition and seek funds for it as part of its budget request for FY 1988.

This adjustment in the sequence of events eliminates a serious hazard to the collections while permitting the Institution to proceed systematically toward the complete and safe utilization of all the storage capacity in the pods in coming years. It advances, for reasons of safety and prudent collections management, the preparation of growth areas originally scheduled for funding and completion in future years and defers for one year the installation of the "high-bay" equipment.

Question: Why is an increase of $150,000 (for a total of $862,000) required in FY 1987 for preparing collections for the move? What exactly will the additional funds be used for?

Answer: The increase of $150,000 is needed for continuation of the process of preparing collections for the move and for the actual transport of collections to MSC. (Delivery of storage cabinets to MSC is projected to start in February 1987.) Move activities during FY 1987 will be more intensive and additional resources will be required to adhere to schedules. The increase will be used to fund eight additional positions on the temporary move work force ($123,000) and to help provide adequate supplies ($27,000) for the move effort. The added personnel and supplies will assist with preparation and move of collections from the Departments of Anthropology, Entomology, Botany and Vertebrate Zoology of the National Museum of Natural History and for the move of collections from the National Museum of American History. Needed supplies include such things as cardboard shipping boxes, plastic sheeting, asbestos protective gear and acid-free packing foam.

Question: According to the March Regents' newsletter, production of the collection storage cabinets has not yet begun, and a new subcontractor is being sought. What impact is this additional delay likely to have on your schedule for moving collections beginning in 1987?

Answer: The move schedule has been revised as of March 14, 1986 to reflect the cabinet subcontractor schedule. This schedule is shown below with the schedule submitted to the Committee in April 1985. The storage areas affected by the funds now requested are those labeled "High Density" storage in Pods 1, 2 and 4. Generally, delays of move start times of about eight months have occurred since the preparation of the schedule in April 1985.

The schedules shown reflect only the time estimates for the actual move of collections to MSC based on the availability of storage cabinets and do not include the time required to clean, prepare and pack collections prior to the move.

Projected Move Schedule (4/29/85):

Pod 3 High Density: December 1984 - November 1985
Pod 4 High Bay: October 1987 - August 1989
Pod 1 High Density: October 1986 - December 1989
Pod 2 High Density: September 1986 - October 1988
Pod 4 High Density: November 1986 - February 1989

Re-estimated Move Schedule (3/14/86):

Pod 3 High Density: December 1984 - October 1985 (completed)
Pod 4 High Bay: October 1989 - August 1991 (deferred)
Pod 1 High Density: May 1987 - May 1990
Pod 2 High Density: May 1987 - May 1989
Pod 4 High Density: July 1987 - July 1989

Question: When would the new subcontractor have to be on board in order for the cabinets to be ready for the collections during FY 1987?

Answer: The Institution, in consultation with the General Services Administration, has determined that the subcontractor should be on board by June 1986 so that the move can proceed in May 1987 as shown in the schedules given in the answer to the previous question. This would allow time for completion of design and shop drawings and for tooling up for production which should start no later than January 1987 with delivery beginning in February. By May 1987, a sufficient number of cabinets would be delivered and installed at the Museum Support Center to permit the start of collections relocation.

Quadrangle Accounting Service Unit

Question: P. 190. The request for Administration is $12,504,000, an increase of $1,069,000 over 1986 adjusted. Included is a program increase of $25,000 to establish an Accounting Service Unit in the Quadrangle. How many positions will be provided for this Unit (for which 1 workyear is requested)?

Answer: One full time position will be provided for this unit.

Question: Why is an "onsite" accounting unit needed? Why can't these needs be met by the current accounting staff?

Answer: Since 1981, the Accounting Office has provided on-site services in all of the Institution's major facilities. These units, which are equipped with computers tied into the central accounting system, process travel authorizations, advances, and vouchers, process petty cash requests, accept supply requisitions, process invoices for payment, and provide funds availability information to requesting units. They also provide services to employees such as travelers checks and metro farecards.

The new position will support an Accounting Service Unit planned for the Quadrangle complex. The placement of this ASU would support the financial needs of the National Museum of African Art, the Sackler Gallery, the International Center, and the other programs to be located in this complex.

It must be noted that Federal expenditures at the Institution have increased from $141 million in FY 1981 to $188 million in FY 1985. During this period the only significant additions to the Accounting staff have been through the Accounting Service Units to assist in the processing of some 176,000 Institution-wide transactions per month.

Question: $200,000 was provided in FY 1986 for software development. What will thse funds be used for in FY 1987?

Answer: The $200,000 provided in FY 1986 is part of a total level of funding of $625,000 for the development of Institution-wide automation systems and software applications. In the current year (based on progress made through FY 1985), these funds were allocated initially as follows: development of a prototype system of the collections information system for museum specimens and objects, using the data on the collection of fishes in the Department of Vertebrate Zoology ($262,000); acquisition of systems for financial and other management data ($163,000); and development of computer communications by means of local-area networks among buildings ($200,000).

For FY 19F7, the level of funding of $625,000 would continue the development of these systems. Budget reductions, including that required by Gramm-Rudman-Hollings, are causing some slowing of progress in management information system development in FY 1986 with the result that while work will take place this year on functional requirements and the development of data models, the actual acquisition of software will be delayed until FY 1987 at a cost in that year of $225,000. Other components of the FY 1987 request include $200,000 to extend the prototype collections management system to all science, art and history collections and $200,000 to extend the local-area network raceway system to additional buildings.

Office of Protection Service Training Program

Question: P. 199. The request for the Office of Protection Services is $19,340,000, an increase of $1,975,000 over 1986 adjusted. Included is a program increase of $817,000. This office provides training for museum security officers from other museums, as well as other police departments. Who pays for such training? Is there any cost to the Smithsonian?

Answer: The Office of Protection Services has provided training for other museum security officers and police departments at no additional cost to the people attending or to the Smithsonian. Although we do not publish a schedule of training classes, our program is recognized as the leader among programs for museum security officers as well as for canine teams, and we have requests each year for outside participation. We make every attempt to accommodate non-Smithsonian students with our own when class space is available, and no extra cost is incurred.

Office of Protection Service Proprietary Security System

Question: By the end of FY 1986, the proprietary security system will be expanded to all Washington, D.C. area facilities. What will be the total cost of this effort? How do operation costs compare to those of the previous system or systems?

Answer: The total cost of the proprietary system, which has been funded since FY 1977, is $7,305,000. The operational costs of the new system will be about $550,000 per year. This cost includes personnel, maintenance contracts on computer equipment, spare parts, and major system upgrades of hardware and software to ensure that technology remains current. The previous systems that were installed at the Smithsonian would have had operational costs that would total over $700,000 in FY 1987, and costs were expected to rise by about 12 percent over that level in each subsequent year. The true value of the system, however, should be measured not in cost savings, but in the vastly improved security and control gained by the installation of a system wholly owned and operated by the Institution.

Question: What use will be made of the funds in your base that have been used for installation since FY 1983? How much is involved?

Answer: The base resources for the proprietary system ($440,000) will be used for the final increment of the installation contract in FY 1987.

Quadrangle Security Staffing

Question: Of the requested increase, $420,000 and 21.5 workyears is for 35 additional guard positions and a nurse for the Quadrangle when it opens. Will this provide full staffing from this office for the Quadrangle? If not, what will the total be, and when do you intend to reach it?

Answer: This request provides full security staffing for the Quadrangle. In FY 1988, we will be requesting the annualization of the new FY 1987 positions (14.5 workyears and $222,000).

Funding for Quadrangle Building Management

Question: P. 203. The request for the Office of Plant Services is $36,402,000, an increase of $5,389,000 over 1986 adjusted. Of this increase, $2,565,000 is for rent and utilities (compared to $1,921,000 last year); and $1,202,000 is for a program increase. Since half the request for Quadrangle building management was allowed in FY 1986, out of a request of $566,000 and 21 workyears, why does the justification state that only 6 workyears and $159,000 was provided?

Answer: The increase of $566,000 and 21 workyears was requested for FY 1986 to provide Quadrangle-related support for three offices represented in the Office of Plant Services line item: the Office of Plant Services, the Office of Horticulture, and the Quadrangle Building Manager. Of this sum, an amount of $321,000 and 13 workyears was requested to establish a Quadrangle Building Management unit that will provide custodial and other support services in the Quadrangle complex. The FY 1986 appropriation allowed half of the request for Quadrangle Building Management, providing $160,000 and 6.5 workyears. The 0.6 percent across--the-board reduction resulted in a $1,000 cut, with final funding of $159,000 provided. The table below provides a summary of Congressional action on the FY 1986 Quadrangle-related increases contained in the OPlantS line-item:

FY 1986 Increases for Quadrangle-related support

	FY 1986 Request		Cong. Action		Conference /1 Level	
	FTE	($000s)	FTE	($000s)	FTE	($000s)
Office of Plant Services	6	205	-3.0	-102	3.0	103
Office of Horticulture	2	40	-1.0	-20	1.0	20
Quadrangle Bldg. Manager	13	321	-6.5	-161	6.5	160
TOTAL	21	566	-10.5	-283	10.5	283

/1 Does not include the effects of the 0.6 percent across-the-board reduction or the FY 1986 Gramm-Rudman-Hollings reduction.

Haupt Garden

Question: An increase of 5 workyears and $192,000 is requested for the Enid A. Haupt Garden located in the Quadrangle. How much funding was included in your base for the Victorian garden that used to be where the new garden will be? How have those funds been used while construction was underway? Will they be applied to the costs of the new garden?

Answer: The Office of Horticulture designed and supervised the installation of the Victorian Garden in 1975-76 in an area that had previously been occupied by a parking lot and temporary buildings. The four positions and $51,000 approved in the FY 1977 budget included 2 gardeners for actual maintenance of the Victorian Garden, 1 gardener for installation and maintenance of plantings in "1876: A Centennial Exhibition," and 1 gardener to support production, propagation and delivery of plants from our greenhouse-nursery area to the site of the Victorian Garden.

From FY 1977 until FY 1983, when the Victorian Garden was removed in preparation for the Quadrangle, Horticulture was given added responsibility for the Fragrant Garden, the newly renovated Hirshhorn Garden, the grounds of the Anacostia Neighborhood Museum facility at Fort Stanton, the Smithsonian Institution Service Center, the National Museum of American History Bandstand area, and the Barney Studio House. In FY 1980, 1 position was lost through Institutional reprogramming as a result of the zero base budget process. After removal of the Garden, the 2 gardeners with responsibility for the Victorian garden were reassigned to handle above mentioned areas; and 1 position was reprogrammed to handle the increase in services required for special events and interior plants. Therefore, the four positions and $51,000 in the FY 1977 for the Victorian Garden are not available for the new Enid A. Haupt Garden. Furthermore, the 4.3% Gramm-Rudman-Hollings reduction in FY 1986 further reduced the Office's ability to care for the Enid A. Haupt Garden.

Question: Who provided the four Victorian greenhouses as a gift in FY 1984? Where are they now? What is the basis of $20,000 needed to erect them?

Answer: The four Victorian greenhouses were a donation from the estate of R. R. M. Carpenter of Wilmington, Delaware. This bequest included funding ($10,000) for the dismantling and transporting of the greenhouses to Washington, D.C., at no cost to the Smithsonian Institution. The greenhouses are currently stored at the Office of Horticulture facility at Silver Hill. The $20,000 requested in the FY 1987 budget is the cost for the basic assembly of the greenhouses, including the construction of the foundation and block walls to which the structure will be attached.

Quadrangle Building Management Support

Question: An increase of $681,000 and 32.5 workyears is included for Quadrangle-building management division. How much is included in the base for training? Why is the proposed increase of $10,000 needed?

Answer: The Quadrangle Building Management unit was established in FY 1986 with a base of 6.5 workyears and $159,000. No training was included in the FY 1986 base due to the short period of time between the hire date and the end of the fiscal year. However, with most of the new employees untrained, it is important that continuing training be provided to fully educate them in the functions they will be performing. The requested increase of $10,000 will establish a base of funding to train these new employees hired in FY 1986 and FY 1987 (a total of 44 positions), providing approximately $230 per employee for these costs.

Question: What is the basis of the estimate of $55,000 needed to purchase supplies and equipment for the new employees?

Answer: An initial $43,000 was provided in the FY 1986 base for services, supplies and equipment. The base funds covered only the first phase of occupancy of the building during the latter part of FY 1986. The $55,000 increase is needed to provide full-year program support in FY 1987 for the building management reponsibilities in the Quadrangle, including cleaning supplies and paper products ($25,000); refuse and pest control services ($10,000); replacement lightbulbs ($10,000); equipment replacement ($5,000); and uniforms ($5,000).

Quadrangle Building Management Staffing

Question: Provide a breakdown of funding and workyears provided for this division with FY 1986 funds, and tie that to the request of 18.5 workyears and $343,000 requested for the 25 positions approved in 1986.

Answer: The FY 1986 appropriation included partial-year funding of 25 new positions for the Quadrangle Building Management unit (6.5 workyears and $116,000). For FY 1987, an amount of 18.5 workyears and $343,000 is required to annualize this funding to provide for the full year costs of these positions. The following table provides a breakdown of the FY 1986 and FY 1987 costs for these positions:

FY 1986 Positions	FY 1986 Budget		Costs to Annualize FY 1986 Positions In FY 1987		Full Year Costs	
	FTE	$000s	FTE	$000s	FTE	$000s
Facilities Manager	0.38	15	0.62	27	1.0	42
Supply Clerk	0.15	2	0.85	12	1.0	14
Shipping Clerk	0.15	3	0.85	13	1.0	16
Clerk/typist	0.37	6	0.63	8	1.0	14
General Maintenance Foreman	0.15	3	0.85	25	1.0	28
Electrician	0.15	4	0.85	18	1.0	22
Maintenance Mechanics (2)	0.25	5	1.75	39	2.0	44
Custodial Foreman	0.35	6	0.65	18	1.0	24
Custodial Leader	0.30	5	0.70	11	1.0	16
Custodial Workers (6)	1.75	26	4.25	64	6.0	90
Labor Leader	0.35	6	0.65	12	1.0	18
Laborers (7)	1.85	29	5.15	83	7.0	112
Forklift Operator	0.30	6	0.70	13	1.0	19
TOTAL	6.50	116	18.50	343	25.0	459

SPECIAL FOREIGN CURRENCY PROGRAM

Question: P. 209. There is no request for the Special Foreign Currency Program in FY 1987, compared to $2,378,000 (after Gramm-Rudman) in FY 1986. What is the reason for requesting no funds in this program in FY 1987? What will be the impact if no funds are provided?

Answer: The Institution's request to OMB for $2,000,000 for the Special Foreign Currency Program (SFCP) in FY 1987 was disallowed, appealed, and disallowed again. The 1986 no-year appropriation of $2,378,000 will cover the final Moenjodaro contribution at $1,020,000, leaving $1,358,000 for the grants program. This amount will cover current activity including multiyear grants to bring ongoing projects to reasonable conclusion. However, it will severely limit the funding of new projects, such as those which might be expected to develop with the initiation of a U.S.-Pakistan Joint Commission encompassing science and technology, and education and culture. Because the Smithsonian SFCP, offers grants to U.S. scholars in disciplinary areas not covered by most other SFCP's specifically humanistic studies, a large segment of scholars will have no access to U.S.-owned Pakistani rupees. Pakistan will probably go off the excess currency list in about two years, but the Smithsonian will be unable to capture any of these funds for future use. It is anticipated that the Smithsonian will request funding for this program in FY 1988.

RESTORATION AND RENOVATION OF BUILDINGS

Status of General Post Office Building Planning

Question: P. 215. The request for Restoration and Renovation of Buildings is $12,828,000, an increase of $2,292,000 over the 1986 adjusted level. $250,000 is requested for improvement of attic space at the NMAA/Portrait Gallery building, to provide storage space. What is the status of your plans for the General Post Office building? If you were proceeding with restoration of that space, would this project in the attic be necessary?

Answer: Plans for the General Post Office Building are being held in abeyance until the completion of a management study concerning the use of the building. Once this study is complete and a timetable has been established for the relocation of the Tariff Commission, and within the limitations of the President's five-year budget projections, a program will be forwarded to the Congress requesting funds for design and subsequent implementation. It appears at present that it may be some years before the new building becomes available for use. In the meantime, storage space is urgently needed to relieve overcrowded conditions of the painting and sculpture collections of the National Museum of American Art. The fourth floor attic on the G Street side is currently unoccupied, but ductwork now in place on the floor makes it unusable. The ducts will be raised to allow access and increase floor space, and modifications necessary to make the space acceptable for collections storage will be made. Preliminary findings of the management study indicate that this space will be needed for collections storage even when the General Post Office Building is renovated.

Arts and Industries Building

Question: $2,500,000 is requested to complete the exterior renovation of the Arts and Industries building. Of the $12.9 appropriated for this project from FY 1981 through FY 1986, how much has been obligated? What in particular is the status of the $2.5 million appropriated in 1985, and $1.5 million appropriated in 1986?

Answer: Of the $12.9 million appropriated for the Arts and Industries Building exterior renovation from FY 1981 to FY 1986 all but $25,000 has been obligated as of March 1986. The $2.5 million appropriated in 1985, and $1.5 million appropriated in 1986 have been obligated for the Phase IV and Phase V construction contracts respectively. The work under Phase IV will be completed in April 1986 and the work under Phase V, which began in March, will be completed in January 1987.

Question: Will you be able to obligate the entire $2.5 million requested for FY 1987 in one year, or could this amount be spread over two years? What would be the consequences?

Answer: We expect to obligate the full amount of $2.5 million requested for FY 1987 in the early part of the fiscal year. The work involved for this final phase of the exterior renovation includes removal and replacement of the building's southwest quadrant roof. If the work were over two years instead of one, it would increase the cost as well as the disruption to the public and staff.

Fire Detection and Suppression

Question: A total of $1,210,000 is requested for fire detection and suppression systems (p. 218). Do you believe the amounts you are requesting are adequate to provide protection against fire in the Smithsonian facilities? In particular, would it be possible, and would you recommend, proceeding more quickly with fire protection projects in the Natural History and American History buildings?

Answer: In determining adequacy of funding for fire protection work, the Institution must weigh the risk factor against practical aspects of conducting extensive work in a building without disrupting public programs and staff activities. In many cases, fire protection work can be conducted with other construction activities to minimize the dislocation of staff and inconvenience to visitors. This is the case in the Museums of Natural History and American History where the fire protection work is being carefully phased in coordination with other work in each area of the building. It would not be possible to accelerate this work without closing major portions of the buildings. It is our judgement that although a certain amount of risk of fire exists in these buildings, it is not significant enough to warrant the large-scale disruption to pulbic programs that would be involved if this work proceeded more quickly.

Question: Why has the expected amount of future funding for the Air and Space Museum almost doubled, from $400,000 in last year's justification to $700,000 this year?

Answer: The expected amount of future funding for fire protection devices and systems for the National Air and Space Museum increased from $400,000 in the FY 1986 justification to $700,000 in FY 1987 as a result of more detailed analysis by the fire protection consultant and Smithsonian staff. Previous estimates were based on preliminary findings. Also, the current estimates include an amount for FY 1991, not projected in the FY 1986 justification.

Question: Similarly, last year, future year funding for the Arts and Industries building was identified as $300,000; it is now $2,000,000. Please explain.

Answer: With regard to the change in future year funding projected for fire detection and suppression systems in the Arts and Industries building, the FY 1986 request was based on continuing improvements without changing the space configuration or use of the building. The future year funding shown in the FY 1987 budget reflects changes to existing systems to accommodate anticipated major changes that have resulted from a recently completed analysis of space use in the building.

American History Building

Question: $1,880,000 is requested for utility systems repairs and improvements. Why has the future year funding for projects in the American History building increased from $4.8 million to $7.8 million?

Answer: At the Museum of American History, the future year funding for improving the heating, ventilating, and air-conditioning systems has increased since the start of the planning process in 1985 from $4.8 million in FY 1986 to $7.8 million in FY 1987 as the result of a more definitive understanding of the coordination and phasing required to integrate the technical installation of the work with the programmatic requirements over a period of years. In addition, escalation caused by the shifting of the completion of the project from 1990 to 1991 and asbestos removal associated with demolition increased the overall cost.

Natural History Building

Question: $175,000 is included in this request, to continue the design and evaluation process for the Natural History building. When do you expect to complete the design and evaluation?

Answer: At the Museum of Natural History, we expect to complete the evaluation by the end of September 1986. This will provide a conceptual plan of the system required. Funding provided in FY 1986 and anticipated in FY 1987 will be used for more detailed planning and design. As the overall system is so complex, it is expected that the design process will proceed incrementally throughout the project.

Question: Do you still expect the total cost of required renovations to cost $54.5 million? When do you expect to request initial funding to begin these projects? How long will it take to complete all projects?

Answer: At this time we expect that the total cost of the required renovations may be as high as $54.5 million. We anticipate that the FY 1989 budget will be the initial request for construction funding, and based on an average yearly funding of $6.5 million, eight to nine years will be required to complete the program.

American History Building Master Implementation Study

Question: A total of $5,688,000 is requested for other projects. Will the master implementation study for the American History building be completed by this spring, as the justification indicates?

Answer: We expect the master implementation study for the Museum of American History to be completed by May 1986.

Arts and Industries - Heating, Ventilating, Air and Conditioning System

Question: Under the Arts and Industries building section, the justification indicates that $300,000 appropriated in FY 1986 will be used to begin design of the renovations for upgrading the HVAC system, and an additional $300,000 requested in FY 1987 will continue the design. Last year, the budget justification stated (p. 226) that the $300,000 requested was to begin construction of permanent building alterations based on the comprehensive space study. Please explain what exactly the 1986 funding is being used for, and why the use has changed since last year's justification, if that is the case.

Answer: An amount of $300,000 was requested and appropriated for permanent changes to the Arts and Industries building for FY 1986. Of this amount, only $150,000 is available at this time as a result of the Gramm-Rudman-Hollings cut to the R & R account. These funds are being used to develop office space on the third floor of the Southeast Pavilion, an area that previously housed a photographic laboratory and print service which moved to the Museum of American History building. The remaining funds, had they been available, would have been used to begin the design of future modifications to the Building upon review and acceptance of the recently completed master plan. Funds requested in FY 1987 will be used to begin this design effort.

The use of the funds appropriated in FY 1986 has not changed. The FY 1987 justification explains that the $300,000 appropriated in FY 1986 would be used to begin design of the renovations for upgrading the HVAC system "as well as modifications to the administrative and exhibit spaces of the building." Any major renovation to a building has an impact on the HVAC system serving it, especially when the use of particular spaces change. In fact, in addition to providing more effective space for programmatic activities, one of the goals of renovating the A & I building at this time is to provide overall better climatic conditions and more energy efficient operation. The present HVAC system cannot provide the proper environmental conditions necessary to house collections exhibited in the building. The exterior work, which has been undertaken over the last several years, is the first step in the process of improving this situation. This process will continue, with a major overhaul of the HVAC system to take place concurrently with the modifications to the space.

Arts and Industries Construction

Question: $200,000 is also requested for construction of temporary work areas in the A & I building. $300,000 was requested for this purpose in FY 1986. Is the total of $500,000 all that will be required for this project? If not, how much additional funding is expected to be required?

Answer: The $300,000 requested in the FY 1986 budget for temporary relocation of units affected by the renovation work associated with the facade has been reduced by $150,000 in order to meet the reductions under the Gramm-Rudman-Hollings deficit reduction bill. A total of $500,000 would have been sufficient to accomplish the temporary moves. However, since this work is required in conjunction with the facade project to be completed in FY 1987, the Institution will revise its plans to fit available resources. Assuming the $300,000 request for FY 1987 is sustained, we do not anticipate requiring additional funding in FY 1988.

Question: $300,000 is also requested to begin construction for the relocation of computer equipment. When will you know what location will be selected for this relocation? What sites are being studied?

Answer: At the time of the submission of the FY 1987 budget to Congress, it was anticipated that the computer facility would be relocated to another building. More recently, it was decided to keep the computer facility in its present location permanently. During the exterior renovation of the Arts and Industries building, however, the portion of the roof above the computer facility will have to be removed. In order to allow this work to proceed while the computer facility continues to operate, a contained environmental control structure will be built within the computer facility to maintain the strict environmental controls required by central computer operations. At the same time, the exterior work will necessitate the removal of the HVAC equipment for the computer facility that had been installed on the roof; the new HVAC system will be designed to operate independently of the system for the rest of the building, ensuring greater control of the environmental conditions within the computer facility. The funding requested in FY 1987 will be used to ensure the proper environmental conditions for the computer facility during the renovation of the building and to provide the permanent HVAC system dedicated to the computer facility.

Hirshhorn Space Use Master Plan

Question: $125,000 is requested to complete the space use master plan for the Hirshhorn, and fund the design of the first phase of the required modifications. Do you know how much will be required in the future to fund the required modifications?

Answer: At this time we do not have an estimate for the funding required to accomplish modifications at the Hirshhorn Museum. Planning figures will be developed as part of the master plan. Since the master plan process is expected to be completed by March 1987, the kind of modifications and related cost data will be available for the FY 1988 budget submission.

Whipple Observatory Dormitory

Question: $45,000 is requested for design of a new dormitory to replace the existing dormitory at the Whipple Observatory in Arizona. You are proposing to replace the dormitory because it is "vulnerable" to brush fires. Why isn't it possible to modify the dormitory to make it more fire-safe, rather than replace it?

Answer: The site of the current dormitory is located at the top of a cleft of the mountain ("a natural chimney") located above a popular hiking area. In addition to the possibility that the building could be consumed by a fire that started below and spread up the mountain, the physical characteristics of the location make the current dormitory particularly "vulnerable" to the spread of smoke rising up the cleft, even if the fire itself does not spread up the mountain. We believe that it would not be economical to modify the building at the current site to provide the necessary protection from the dangers of smoke inhalation to the scientists sleeping in the dormitory. Several other sites have been identified that would be free from such a source of smoke inhalation. The requested funding for FY 1987 includes money to conduct a study to determine the most appropriate of these possible locations for the new dormitory and to initiate its design.

Question: Is there any other reason for replacing this dormitory, built in 1973? Is it otherwise in good condition? What will be done with the existing facility if it is replaced?

Answer: The building was never intended to be a permanent dormitory. It consists of a prefabricated Navy building, obtained by SAO as excess government property in 1973, as a quick and inexpensive means to provide sleeping and living quarters for the scientists using the newly-completed Whipple Observatory. Its replacement was called for as early as 1977 in the Observatory's Five Year Development Program.

The dormitory has several serious shortcomings. Nearby road traffic, poor temperature control, and building noises caused by wind and diurnal temperature changes all make sleeping in the building difficult. Moreover, even though the building has been maintained since it was erected, the expansion and contraction of the "sandwich" metal structure continues to cause water leaks and contribute to the noise problems within the building. Because these problems are intrinsic to the design characteristics of this type of prefabricated building, correction has not been possible.

If this building is replaced with a new dormitory, the current structure could be reused as a storage area, after removal of the prefabriated building and the addition of a roof over the existing masonry floor. As a location for storage, the current site would be adequate because the danger of smoke inhalation would not be a critical factor. At this time there are no detailed plans for this modification.

Question: If the dormitory is "vulnerable" to fire where it is located, why was it built there? How much "less vulnerable" would other sites on the mountain be?

Answer: The site of the present dormitory was the only flat space available at that time. No funds existed to develop a better site. It was intended to be a temporary site only. Moreover, it appears that, at the time, it was not appreciated that the site presented a fire hazard.

None of the sites under consideration for the new dormitory has any known special vulnerability to fire and smoke. We estimate that the fire hazard from the surrounding area would be at least tenfold less at the new sites under consideration than at the present site.

Question: Will the new dormitory be the same size as the old one?

Answer: No. The new dormitory will be larger. There are now ten sleeping rooms serving the Ridge telescopes, seven in the old dormitory and three in the nearby laser building. Ten rooms are planned for the new dormitory so that the three rooms in the laser building can be returned to scientific use.

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